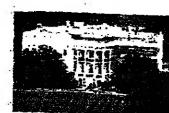
# FINANCIAL TIMES

THURSDAY FEBRUARY 8 1996



a, 944

Amarente la la companya de la compan

denied tall dies and de le constitued to est de le constitue de la constitue de le constitue de le constitue de le constitue de la constitue d

BRUSSELS SEE

Description of the second of t

Wat Banks

aine and the Beis

Visitien and esset a:

Jochrane, Michael

2000年 金属

E of 15 the way

化分子 建四氢医量

े १५ १८मास<u>्</u> अङ्

and also make

· · . . . 2015 15 66 No. of the street and

and the person that

10 10 10 ASEE 整

..." s 185 mag

MANILA PE des

confor thing

nu Gustare Teb

· DWE.

化二十分的物 海绵症

BANGKOK WE

The state of the s

10 July 10 Bit 400

100 miles (2012)

4.26

ಎಂ ವಿಚಿ*ವ*ಕ್ಕಾ

**Primary Colors** Washington's best kept secret

Jurek Martin, Page 10



The pulp market

Bungee jumping without a cord

UK trade unions

Turning their backs on history



Singapore

Journey without ending

Survey, Separate Section

# World Business Newspaper

# in Caribbean

A Boeing 757 charter jet carrying 189 people, most of them German tourists, crashed soon after takeoff from the Dominican Republic in the Caribbean. All those aboard the German-bound flight were feared dead at least 45 bodies were recovered. Rescuers spotted empty life rafts and saw sharks circling the wreckage. The aircraft's Turkish owners and the head of the German company that organised the holiday said Dominican officials had told them the crash might have been caused by lightning. Page 3

Dublin suggests N Ireland talks move



The Dublin government yesterday proposed a Dayton-style conference to move Northern Ireland's political parties towards all-party talks. The sur-prise announcement by Irish deputy prime minister Dick Spring (left) came after talks with Sir Patrick Mayhew, Britain's Northern Ireland secretary. It received a cool response from UK ministers and a furious one from pro-British parties in the province. Page 12; Optimism on ceasefire, Page 6

Videotron bows out: Videotron, the big Canadian cable TV group, is trying to sell its 56 per cent stake in Videotron Holdings, the UK cable company. Page 6

BT's German venture to cost £1.3bn: in British Telecommunications and big German Indus trial groups RWE and Viag plan to spend DM8hn-DM4bn (\$2bn-\$2.7bn) building a German telephone network over the next four or five years. Page 13; Price cap, Page 6; Lex, Page 12

Split over Eurotunnel: Bankers owed £8bn (\$12bn) by Eurotunnel are split over whether to take a hard line in negotiations over the Channel tunnel operator's crucial refinancing.

Airbus plans 'superjumbo': Europe's Airbus Industrie consortium, keen to compete in the big aircraft market with with Boeing of the US, announced plans to launch its own "superjumbo" iet in the next two years. Cod would carry 550 passengers.

Aftershocks joit Lijiang: People in the Lijiang region of China's Yunnan province were warned not to go home as a series of aftershocks toppled houses first damaged in a earthquake which claimed 255 lives last week.

UN seeks \$100m for Sudan: The United Nations appealed for over \$100m to help about 4.5m people who risk starvation in Sudan's intensifying

CFCs 'guilty' over ozone layer: US space scientists at Nasa say chlorofluorocarbons are guilty "beyond reasonable doubt" of destroying the earth's ozone layer and and letting in damaging

Sears Roebuck: The biggest US department store group shrugged off retail sector gloom with a 27.6 per cent jump in underlying net profits to \$455m in the fourth quarter. Page 13

Tigers attack: Separatist Tamil Tiger guerrillas killed 11 Sri Lankan soldiers in the east of the country. The attack was the first big rebel strike in the east since a bomb killed more than 80 people in the capital Colombo last Wednesday.

Ex-officer held: Retired Russian naval officer Alexander Nikitin, who collected information on the dangers of nuclear waste for a Norwegian envi-ronmental group, was arrested in St Petersburg for alleged spying, the Oslo-based Bellona Foundation

**High art:** A group of Bulgarian musicians and actors plans to stage the world's highest concert on *Mount Everest - provided it can find sponsors.* 

### CHRISTOPHER LORENZ

Christopher Lorenz, FT management editor since 1977, died yesterday at the age of 49 after a long illness. An appreciation of his life and work will appear

I STOCK MARKET DIDICES	■ GOLP
New York: teachtime Down Jones Ind Av	
NASDAC Composite1,081.59 (-7.45 Europe and Far East CAC40	London: close _\$412.25 (411.0)
DAX 2.446.16 (+17.86 FT-SE 100 3,726.1 (-21.4	
20.943.49 (+192.34	New York: Junchisme
US LUNCKTIME RATES	21.535 DM1.477
	Ffr5.073
Federal Funds516% 3-mm Treas Bills: Yid4.94%	SFr1.2075 v106.035
Conn. Rood	i "
6.15%	Loedon:
N OTHER RATES	£ 1.5379 (1.5404 DM 1.4773 (1.4718
UK: 3-mo interbank	
[BK- 17] W [Silf3052   [24] M	SF 1.2064 (1.2015
Promotion 10 VT DAT	
Germanic 10 VK RUM CONTROL (33.00)	
Japan: 10 gr JS8111.43 [111.204]	DM22719 (2.2671
MORTH SEA OIL (Argus)	
Brent 15-day (Mar)\$16.66 (16.62)	Tologo class: Y 105.05
	1=45m Oater OR13.00
TEACH CENTRY	1975 S.Arabia SR12
AND SOLD CHEET THE PARTY AND ADDRESS.	LmD.85 SingaporeS\$4,30
Balterin Dm1.250 Hong Kong HK\$20 Marocc Belgium 35-75 Hungary Fi.230 Morocc	n MONIE Slovak Rp 5465
Bulgaria Lw130.00 losked K/230 Nech	R 475 S. Africa R12.00
Current CC1 20 India PB75 Nigeria	
Court Do wind total SNA7.90 Norway	DR150 Switz SF3.70
Denstark DKrt8 Italy 13200 Oction	A
Egypt ESS 00 Japan Y500 Palesta Season Str. On Joseph JD1.50 Poland	716.50 Turesta Din1,750
C3018 24 12 10 CS.	Instance Turkey L70,000
Finland Flat 15.50 Kuwaki File 1550 Portuga Franca Fifth 150 Lebanon 11,9,000	E240 UAE Dh12.00

# Charter jet crash Tokyo finance ministry under threat

Japan's PM approves first study into possible break-up Mr Ryutaro Hashimoto, the Japanese prime minister, yester-

day gave his assent to a govern-ment study into the possible covering budget, taxation, bankbreak-up of Tokyo's finance ministry, the most powerful bureau-cracy in the industrialised world. The move will expose the centre of financial power in the world's second largest economy to detailed official scrutiny for

The ministry's critics allege it

ing, the securities industry and customs, in contrast to other industrialised countries which keep some or all of these functions in separate bureaucracies. Mr Hashimoto, responding to pressure from younger mem-bers of his ruling Liberal Demo-cratic party and the opposition to curb the scope of the ministry's power, said: "Such discussion

will be needed ... I am aware of the problem."

The finance ministry's future is to be studied by a government coalition panel on administrative reform set up this week. It is to produce an outline plan, possibly for a financial agency separate from the rest of the ministry, soon after the budget passes par-liament. This is expected by the

Until yesterday, the Japanese leader had been non-committal on the subject, sensitive to pow-erful older members of the LDP who are eager to preserve their close ties with the bureaucracy.

But Mr Hashimoto's hand appears to have been forced by mounting criticism of an unpopular plan to use public cash to liquidate bankrupt housing loan companies, or iusen.

Tuesday when three cabinet ministers called for the ministry to be reorganised to reduce the risk of future financial

calamities. The finance ministry's wide powers date from its foundation in 1869 as the architect of Japan's rapid industrialisation. During the post-war years, the ministry was able to mobilise public

savings and channel low cost funds to strategic industries, while sheltering them from for-

eign competition.

The main option being discussed by the LDP is to shift the ministry's banking, securities and international finance bureaux into a separate agency -the suggestion of Mr Koichi Kato,

the party's secretary-general. Political analysts in Tokyo

Continued on Page 12 Japan's account surplus, Page 5 Editorial comment, Page 11

### Closer links with NEC and Bull

# Packard Bell pacts signal global shake-up

By Louise Kehoe in California. David Buchan in Paris and Michiyo Nakamoto in Tokyo

A restructuring of the worldwide \$120bn-a-year personal computer industry appeared likely yester-day after Packard Bell, the leading US supplier of home computers, announced a significant extension of its links with manufacturers in Europe and Japan.

Packard Bell will receive a cash injection of \$283m from NEC of Japan and will acquire the assets of Zenith Data Systems, the struggling PC subsidiary of France's Groupe Bull, valued at

The three-way agreement sig-nals a new phase of consolidation in the industry where some of the largest manufacturers, as well as many smaller companies in the US and Europe, have seen profit margins eroded by falling

The combined operations of ZDS, which shipped around 600.000 PCs last year, and Packard Bell will create a company with annual revenues of \$5.5bn based on last year's figures, mak-ing it one of the world's largest PC companies. Packard Bell claimed the deal would move it into top position in the US, measured in unit sales, with a mar-ket share of about 13 per cent. Last year, Packard Bell was the fourth largest PC producer in the world after Compaq Computer, International Business Machines and Apple Computer.

Packard Bell will become a "global computer power", said Mr Beny Alagem, president and chief executive. The combination of ZDS and Packard Bell "puts the company in a strong position to compete across all sectors of the computer industry in both US

The US company, which is privately owned, did not reveal all details of the agreement. How-ever, both NEC and Groupe Bull will receive non-voting preferred shares in Packard Bell. NEC and Groupe Bull already each hold 19.9 per cent stakes in Packard Bell, and NEC holds a 17 per cent stake in Bull, so the agreement represents an expansion of ear-

lier alliances between the three. NEC paid \$170m for its stake in Packard Bell last year and the companies agreed to collaborate in the development of multime-

dia technologies. Packard Bell also has long standing ties with Groupe Bull and manufactures PCs in Angers, France, under contract to ZDS. US industry analysts said that the deal would give Packard Bell a much needed cash injection to continue its rapid growth, while also enabling the company to expand beyond the home com-

puter market sector. Yesterday Mr Jamie Muir. managing director of Packard Bell in the UK, denied that the deal respresented a rescue. "It is part of our overall plan to create a global business." NEC said its additional invest-

ment in Packard Bell was simed at strengthening its relationship with the US company. But in Tokyo the move was also seen as a decision by NEC to provide financial assistance to the new company and through there, indirectly to Bull.

Packard Bell emerged as a major force in PCs in 1994, when its sales volume more than doubled from 787,000 to 1.99m units. The company for years had concentrated on building relationships with retailers.

Peter Martin, Page 10; Lex.



Pat Buchanan, who is running his poll win over Senator Phil Gramm in the Louisiana party caucuses during a victory elebration in Baton Rouge Buchanan won 62 per cent in the vote of about 30,000 party members. Page 12; Drop in US trade deficit, Page 3; A moral

# **Brussels** shelves portable pensions proposals By Emma Tucker in Brussels

The European Commission yesterday shelved proposals to make occupational pensions portable within the EU in a decision which highlights the reluctance of Brussels to challenge member countries on sensitive issues.

The failure to agree on early legislation to cover cross-border transfers of occupational pensions was seen by some officials as a setback for freedom of movement by workers within the EU. "This is not an area that the Commission should be entering into at this stage," one commis sioner said.

Opposition was led by Ger-many, which is worried that EU-wide laws would require changes to a pension system intended to encourage company loyalty. In Germany, workers have to wait 10 years to qualify for most com-

There is now no mechanism to allow a worker moving from one country to another to maintain or transfer a private pension. The result is that workers lose benefits and finish their careers with significantly reduced entitlements if they switch coun-

Mr Padraig Flynn, the commis-sioner for social affairs, had wanted Commission approval yesterday to begin drafting

Continued on Page 12

This announcement appears as a matter of record only

# Fierce battle likely for UK's second largest pharmacy chain

By Peggy Hollinger in London

Gehe of Germany, Europe's largest drugs wholesaler, yester-day launched a £584m (\$899m) cash bid for Britain's second biggest pharmacy retailer, Lloyds

Its move followed a £526m cash and share bid from the British company Unichem. A fierce battle is now likely between the two groups. UniChem, which had hoped to

forge the UK's largest pharmacy chain by merging LLoyds' 924 outlets with its 424, is widely expected to increase its offer. UniChem yesterday advised Lloyds shareholders to take no action on Gebe's bid. It said it was "considering its response" and a further announcement would be made in due course. The company is unlikely to

retaliate this week. Gebe yesterday trumped Uni-Chem's cash and share offer with a cash bid of 450p per share, valuing the ordinary stock at £553m. It is also offering 290p per preference share, making the total bid worth £584.3m. This compares with UniChem's offer of 408p per ordinary and 263p per preference

share. Lloyds shares closed last night 23p up at 467p; the preference shares rose 15p to 297p.

Gehe was confident yesterday that it would be able to win control of LLoyds.

It plans to integrate Lloyds with the 295 pharmacies and and wholesaling business acquired following the £400m purchase last May of AAH, the UK drugs

Mr Dieter Kämmerer, Gehe's chief executive, said the group did not intend to retain the pharmacy business, and would review its options on the other operations such as the healthfood

where in Europe. Margins were also higher in the retail division than in wholesaling.

message, Page 10

However, the market was last night expecting that UniChem would not abandon its bid. Analysts suggested it could not afford to lose. They said Gehe would gain a key foothold in a market where future growth could be restricted by increasingly tight government price regimes.

Investors were also waiting for a bid battle to unfold, saying that if UniChem responded, they expected Gehe to retaliate.

"Whoever loses will be really hard pressed," said one substantial investor. "That is why we can imagine people pay-

Analysts said UniChem would have to pitch a new bid at about 480p to win, although this could prove difficult. UniChem was already stretching its balance sheet to fund the current bid.

Lex. Page 12

chain Holland & Barrett. Mr Kämmerer said the UK retail market was attractive because ownership of retail pharmacy chains was forbidden else-CONTENTS FT/SP-A Wild Indices.....30 Foreign Enchanges .... the Bond Service -Managed Funds ....... 24.25

# **ASSA ABLOY**

has acquired

ESSEX Holdings, Inc.

for a consideration of USD 170 million

The undersigned acted in affiliation as exclusive financial advisers to ASSA ABLOY

Enskilda Securities Skandinaviska Enskika Banken The Blackstone Group

January 1996

© THE FINANCIAL TIMES LIMITED 1996 No 32,903 Week No 6

LONDON - LEFES - PARIS - FRANKFIRT - STOCKHOLM - MADRID - MEN YORK - LOS ANGELES - TOKTO

have been a recurrent theme in post-war German politics. This is primarily because the

share of tax revenues accruing

to the federal government, the

states and local authorities

y contrast, shared eco-

nomic problems have

propelled state govern-

ments of different political

hues towards co-operation. Last August Mr Gerbardt

Schröder, SPD prime minister

fel, the CDU prime minister of

Baden Württemberg, with the aim of stabilising car industry

employment in the three states

# Drug name puts maker's health at risk

By Caroline Southey in Brussels

A small company in the Belgian city of Liège has become enmeshed in a bizarre struggle with bureaucrats in Brussels over registration of its life-saving medicine for

The problem "would not have arisen", said a Commis-sion official, if the drug had been called something other than somatosalm. "An emotional link" had been made with bovine somatotrophin (BST), a banned drug which boosts milk production.

From the scientific evidence it is clear there is no human health risk from somatosalm." the official said.

The future of the company Pharos, rests largely on the EU agreeing to give the drug the all-clear. But three years after it was developed, and 16 months after the company took the first steps to have the drug recognised. Brussels officials, nervous about drugs used in food production, are threatening to scupper the project.

The choice of name for the salmon drug was mode by the World Health Organisation, which is charged with christen-ing new medicines.

Somatosalm "has a similar protein structure to BST. which is why it got its name". said Mr André Renard, a direc-tor of the company. But that does not mean it produces the same results." The EU banned BST until the end of the century as a result of public concern about its potential effects. The first sign of trouble

heard indirectly - after several months' silence - that a Brussels regulatory committee had vetoed the drug. "Officially we know nothing," said Mr Ren-ard. "It's very frustrating because this is our first drug.

But the EU committee of lay and technical advisers appointed by national govern-ments refused to give the drug the all-clear because they feared that because it comes from the same somatotrophin family as BST it would have the same effect as BST. Delegations from four EU countries voted against, while six

An EU official said: "There is firm resistance because people believe it will open the back door for BST and we don't want BST legalised."

Experts in animal husbandry have criticised the decision. "The drugs are used in completely different contexts. Somatosalm is used for the efficient rearing of salmon. This has nothing to do with enhanc-ing milk yields," said Mr Johan Vanhemelrijck, secretary general of the European Federation of Animal Health.

Pharos, which employs 35 people and has a market capitalisation of \$10m, designed somatosalm to reduce the mortality rate in salmon by helping the fish make physical adjustments when moving from fresh to salt water, a process known as osmoregulation.

The future of the drug now rests with the Council of Ministers which has the power to overturn the committee's decision. "If people just read the dossier, everything will be okay," said Mr Renard.

# Solidarity surcharge proposals spark cross-party opposition States unite to confront Kohl

By Peter Norman in Bonn

t is a foregone conclusion that when Germany's chancelior Helmut Kohl meets the prime ministers of the country's 16 federal states, or Länder, today there will be no accord over Bonn's plans to cut the much bated solidarity surcharge tax at Länder expense from the middle of

The German leader, whose career has been based on forging compromises in coalitious, will face a united front of regional grandees that cross party lines. Alongside five federal prime ministers from his own Christian Democratic Union and one from its Bavarian sister party, the Christian Social Union, will be 10 state leaders from the opposition Social Democratic party.

The surcharge was set on January 1 1995 to help pay the costs of unification and is levied on the income and corporation tax liability of individuals and companies

The united front of state leaders, forged last weekend, owes much to the inept way Mr Kohl's cabinet reached agreement on plans to cut the surcharge from 7.5 per cent to

5.5 per cent from July 1 1997.
The immediate cause of their anger is the way Mr Theo Waigel, the finance minister and CSU leader, decided that DM3bn (£1.3bn) of next year's DM4bn cost of the surcharge reduction should be charged to state budgets through reducing their share of value added tax receipts. In spite of a clear commitment to review the surcharge annually and "jointly with the Länder", Mr Kohl's

with the states. The alliance also shows how Germany's state politicians are prepared to pursue policies without regard to conventional party affiliations, and that they are increasingly prepared to flex their muscles against the coalttion in Bonn.

government announced its

olans without prior discussion

The states' reaction to the surcharge proposals, which are widely seen as an attempt to appease the small Free Democrat member of the Bonn coalition, was summed up by Mr Edmund Stolber, CSU prime minister of Bavaria: "You can't just go shopping and throw the bill in your neighbour's letter box."

Six weeks later Mr Stoiber was organising a "crisis sum-mit" with Mr Teufel as well as Disputes between the states and the federal government

Tackle from behind: Bertelsmann and the Kirch group have taken Bundesliga TV rights away from public broadcasting for £270.2m

BIG TWO WIN GERMAN FOOTBALL TV RIGHTS

tise - to respond to the changing commer-

The issue is also important in the UK.

where on Tuesday the House of Lords

voted to ensure that important sporting

events should remain on terrestrial

television. The German public service

Football's costs have

soared. For example,

player injuries are up

700 per cent this year

insurance premiums for

channels ARD and ZDF have already lost

the rights to Formula One motor racing

and boxing. They used to give limited cov-

to ask permission to do so.

erage of the Bundesliga, but now will have

The agreement also confirms how televi-

sion rights are increasingly being concen-

trated in the hands of the Kirch and

Bertelsmann conglomerates, despite the

new networks which have entered the Ger-

cial requirements of sport.

the SPD leaders of Bremen, Hamburg, Lower Saxony and Rhineland Palatinate in a bid to save jobs at Dasa, the lossmaking German aerospace group.

Against such a background,

depends on periodic negotiait is unlikely that state resis-tance in the solidarity sur-charge dispute will crumble tions over how to distribute income raised by various taxes. The states have no right quickly. Negotiations seem to raise taxes autonomously.

After the surcharge plans sure to extend beyond state elections on March 24 in became known, Mr Erwin Baden Württemberg, Rhine-land Palatinate and Schleswig Huber, Bavaria's finance minister and a senior CSU figure, said the most Mr Waigel could expect of him was "solidarity

But for once, delay in pushing through a government measure may prove advantageous to Germany as a whole. States and federal politicians have begun thinking of an inevitable compromise to

resolve the dispute. An eventual cut in the soildarity surcharge is likely to be packaged with other tax reforms, including the planned of Lower Saxony, organised a "summit" of top motor indus-try executives with himself, Mr Stoiber and Mr Erwin Teuelimination of wealth tax and a restructuring of business taxes. There is even a chance that the government's bungled handling of the solidarity surcharge could yield a partial, but much needed, reform and simplification of Germany's excessively complicated tax

EUROPEAN NEWS DIGEST

# Discrimination rules to change

The European Commission yesterday served notice it would press ahead with proposals for legislation to change the balance of the burden on proof in sex discrimination cases to ensure it is shared equally by the plaintiff and defendant. The Commission's last attempt to have legislation approved by the Council of Ministers in 1994 was vetoed by Britain. As a result Mr Padraig Flynn, the EU commissioner for social policy, set in train procedures under the Social Protocol of the Maastricht treaty, which excludes the UK.

A Commission official said a new law was necessary "because women who make allegations of sex discrimination have to bear the full burden of proving the case, even where certain facts are easier for her employer to establish". The new rules mean the applicant must show a prima facie case, after which the burden shifts to the Caroline Southey, Brussell

#### Hague wants Serb officers held

The Hague war crimes tribunal last night asked the Bosnian government to hold two Bosnian Serb army officers while it decides whether to charge them and request their extradition. The Bosnian Serb army commander General Ratko Mladic. who is himself facing war crime indictments, has threatened to break off relations with the Nato-led peace implementation force, Ifor, unless the men are released. The two, Gen Djordje Djukic and Col Aleksa Krsmanovic, were among eight Serbs arrested by Bosnian government police in Sarajevo. Neither are on existing lists of Hague suspects and the Bosnian Serbs say the Moslem-led government violated international law by

Bosnian government officials said they would be handed to flor or their UN police for extradition if served with Hague

In Mostar, south-west Bosnia, hundreds of Bosnian Croats demonstrated against plans by the town's European Union administrator, Mr Hans Koschnick, to reorganise the new municipality, saying they favoured Moslems. An EU official described the crowd as a "lynch mob" and the German government protested to Croatian President Franjo Tudiman. The German cabinet yesterday agreed that German Tornado aircraft supporting the multinational force in Bosnia should also be allowed to operate over East Slavonia. The measure seems sure of widespread support in the German parliament.

Paul Wood, Belgrade and Peter Norman, Bonn

#### France acts over tax evasion

The French government yesterday stepped up its effort to stop tax evasion by multinational companies by strengthening proposals for a new law on the reporting of company accounts

The new bill, which was yesterday finalised by the French finance ministry, will be presented to parliament this spring. It aims to give the government more powers to collect information on the internal operations of multinational companies operating in France. The initiative comes amid growing suspicion that corporate tax evasion may have been one reason behind the lower than expected budget revenues

In particular, there are concerns that multinational companies are using "transfer pricing" - the rate at which different subsidiaries charge for services and goods provided to each other - to move profits out of France, Mr Alain Lamassoure, the budget minister, yesterday said: "I fear that one of the problems [behind lower than expected tax revenues] is that some enterprises tend to centralise their profits in low tax zones. The new law would allow the French authorities to demand

more information about the transfer of goods and profits in multinational groups and give it powers to impose additional taxes using this information. The French employers group, the Patronat, has expressed concern that any excessively draconian regime could deter foreign investment.

However, the finance ministry yesterday insisted that it was primarily seeking a more "clarified" law. "Companies which are honest have nothing to fear – the others, though, might," an official said.

#### Paris seeks to privatise by decree The Franch government is to ask its parliament for authority to privatise state companies with a turnover of less than FFribn (\$200m) and fewer than 1,000 employees by decree,

instead of going through the cumbersome legislative procedures now required for all sell-offs. The simplified procedure will apply to about 10 of the 21 companies on the government's original privatisation list. Their sale, by private placement rather than stock market flotation, will no longer require a bill through parliament or

valuation by the privatisation committee. The government yesterday added the Société Française de Production, a TV sport film company, to the privatisation list. However, its 1,100 workforce will require it to be sold off in the David Buchan, Paris 35

165

€2, 97

907 ·

3513

10 p.

The State of the S

### Basques protest against killing

Electioneering came to a halt in the Spanish Basque country yesterday in a display of revulsion over Tuesday's ssassination of Mr Fernando Múgica, a prominent Socialist figure and brother of one of the chief candidates for the general election on March 3. The main parties, locked in a tight battle for political dominance in the region, all suspended their campaign programmes and backed a demonstration in the streets of San Sebastian following the funeral yesterday evening. Political leaders congregated in the Basque city, including Mr Felipe González, the prime minister, and Mr Jose María Aznar, the opposition leader - himself the target of a terrorist attack last April.

Police were hunting a four-member squad of the Eta separatist organisation which escaped after the shooting. Mr Múgica, who was 62, is the 19th Basque politician to be killed since Spain introduced a democratic constitution in 1978. His brother, Mr Enrique Mugica, the Socialist parliamentarian and former justice minister, said he would "not forget or forgive". David White, Bilbao

**ECONOMIC WATCH** 

Germany

# Italian guiding hand for EU

## Edward Mortimer talks to Silvio Fagiolo, the likely IGC chairman

Italian career diplomat, faces the daunting task of organising the intergovernmental conference (IGC) charged with revising the Maastricht treaty. After the opening session at foreign minister level, to be held in Turin on March 28-29, Mr Pagiolo will chair the conference for its first three months.

At least he thinks he will, but he won't know for sure until there is a new Italian government, in which Mrs Susanna Agnelli may or may not still be foreign minister. If she is not, her successor might in theory want someone else in charge of the IGC.

By Judy Dempsey in Bertin

Germany's two most powerful media

conglomerates have won the rights to

broadcast the Bundesliga, the national

football league, further undermining the

in a deal worth more than DM600m

(2270.2m) forged between the Kirch group,

Bertelsmann and the Bundesliga, the broadcasting of the country's national

sport will shift from the public sector

The Bundesliga - which consists of two

divisions, each consisting of 18 clubs -

will be broadcast by Sat-1, the private com-

mercial television network owned by the

Axel Springer newspaper group and the Kirch group. Sat-1 paid more than

DM450m for the rights which will start in

Germany's only pay-TV channel Premi-

ere. in which Bertelsmann has a large

stake, has also paid the Bundesliga

DM70m a season for the right to broadcast

live two matches per week in 1997-98 and

1998-89. The agreement illustrates how dif-

ficult it is for public television channels -

dependent on a licence fee for their financ-

r Silvio Fagiolo, an

the 1998 season and run until 2000.

channels to private television networks.

role of public service broadcasting.

The chances of finding some-one better qualified would be slim. Having represented Italy in last year's pre-IGC "reflec-tion group", chaired by Mr Carlos Westendorp of Spain, Mr Fagiolo has all the fiendishly complex issues of EU institutional reform at his finger tips. Meanwhile, he is doing something Italian civil servants are quite used to getting on with the job with-

give him instructions. He plans to get the conference off to a brisk start, with

out waiting for a minister to

broker the first deals and trade-offs, leaving it to the Dutch to reach the final com-promise in the first half of next year. By that time, there may be a new and more amenable government in London. But Mr Fagiolo does not

despair of reaching agreement even with the present one knowing as he does that it strongly favours eastward enlargement of the EU, which in his view makes it essential to render the institutions more efficient. "What value would it have," he asks, "for the new countries to join a Union

Mr Westendorp's report. presented to the Madrid summit in December, was criticised for making no attempt to reconcile the divergent views of national governments. But that, Mr Fagiolo explained in an interview yesterday, was not its job. It had to "reflect" in two senses - to ponder the issues but also to reflect the

actual state of opinion within the EU, which is "very fragmented". It would be for the IGC itself

to work out the necessary

ing and restricted in their right to adver- man market since private independent

Mr Fagiolo has no truck with current pessimism about the conference. He believes it will be a success "in the sense of finding solutions which spond to the main needs of the Union: a more visible profile in external affairs, and to have it felt by the citizens as much closer to them and their problems".

onceding that the EU has lost legitimacy since Maastricht, Mr Fagiolo puts this down to two main causes: unemployment and the lack of an effective foreign policy, especially on former Yugoslavia. Unemployment, he admits, is "essentially a matter for sin-

gle countries and for the global economy". But foreign policy is at the heart of the IGC's agenda. The discussion about institutions may seem abstract, Mr Fagiolo

the Union on the need to make the institutions "more responsible, more visible and more personal".

For foreign policy, he adds, the Union "has to have a face

"really irrelevant". Mr Fagiolo

sees an emerging consensus in

commercial television was permitted in

However, Sat-1, a cable network avail-

able in most homes and which viewers do

not have to pay extra for viewing will not

be allowed to broadcast all matches live.

"Sat-1 will be able to show the matches

after the games have been played," said

Mr Michael Novak, German Football Asso-

ciation spokesman. "However, each season

it will be able to broadcast live five

In an attempt to prevent the Kirch

group from gaining a monopoly over the

TV rights and to secure more revenue, the

Bundesliga struck up the deal with Premi-

ere, which has 1m paid-up subscribers who

pay DM44.50 a month.

Premiere, which was founded in 1991, is

partly owned by Ufa, a subsidiary of

Bertelsmann, which holds a 35.5 per cent

stake. France's Canal Plus also holds 35.5

per cent. The remaining minority stake is held by the Kirch group. Mr Novak said

the deal would help finance the soaring

matches of its own choice."

or a voice" - perhaps a sec-retary-general on the Nato model, or an elected "foreign policy president" serving for three years. One point on which everyone agrees, including the UK,

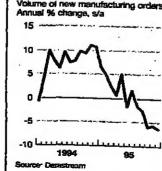
is the need for "a coherent analysis and planning body for the whole foreign policy of the Union", able to co-ordinate the external economic and trade policies, which come within the competence of the Commission and the European Parliament, with the political and security issues which are dealt with by intergovernmental negotiation.
Thus the separate "pillars"

of the Maastricht structure would be brought closer together, but Mr Pagiolo is convinced they will remain

distinct.
"Justice, home affairs, foreign policy, security: these are things countries could not give up without becoming a federal

# costs of insuring players against injury. These have risen 700 per cent this year and some small clubs are struggling.

### German orders fall in December



yesterday by seasonally adjusted figures for manufacturing orders showing a volume fall of 0.4 per cent in December against November and a 6.4 per cent drop against December 1994. The month-on-month decline reflected a 15 per cent fall in eastern Germany following an exceptional bunching in November, Orders for western German industry increased 0.8 per cent in December. Industry as a whole saw domestic orders

Germany's economic

slowdown was underlined

month, while those from abroad rose by 3.1 per cent. Mr Theo fall by 2.4 per cent in the Waigel, finance minister, yesterday announced plans to cut 7,000 more federal civil service jobs over the next 5-10

French industrial production dropped 0.5 per cent between the second and third quarters of last year, according to official figures. Manufacturing fell 1 per cent.

Spain's trade deficit in December fell to Pta172.5bn (£908m)

from Pta216.1bn in November and was 27.3 per cent down on

# Brussels sides with workers in rights row

By Caroline Southey in Brussels and Robert Taylor in London

legislation to protect workers rights when the ownership of a

business changes. The amendment was controversial because employers and the UK government argued that it removed an extension of the law to cover workers whose jobs were contracted out - the Commission had argued that the amendment would not

have that effect. The European Parliament and trade unions had argued that the amendment would weaken the protection of workers, particularly part-time workers.

Unions were delighted with yesterday's decision. Mr John Monks, the British TUC general-secretary, said it was a major victory for the trade unions" and a "serious setback for the British government".

The decision comes after 18 months of wrangling over proposed changes to an amendment to the Transfer of Undertakings law passed in 1977. A further 24 amendments remain on the table, aimed at removing ambiguities in the law which have led to 21 judgments in the European Court of Justice.

The amendment dropped by the Commission sought to redefine what constituted a

THE FINANCIAL TIMES
Published by The Financial Times (Europe)
GmbH. Nibelingenplatz 3, 10318 Frankfurt am Main, Germany Telephone ++49
107 158 250, Fux ++49 107 550 4481. Represented in Frankfurt by J. Walter Brand.
Wilhelm J. Brüssel, Colin A. Kennard as
Geschältsführer and in London by David
CM Bell, Chesimen, and Alan C Miller,
Deputy Chairman. Shareholders of the
funancial Times (Europe) Endl are. The
Financial Times (Europe) Ltd. London and
F.T. (Germany Atherising) Ltd. London.
Shareholder of the show mentioned two F.T. (Germany Advertising) Ltd. London. Shareholder of the above mentioned two companies is: The Financial Times Limited, Number One Southwark Bridge. London SEI 9HL. GERMANY:

GERMANY: Responsible for Advertising Colin A. Kennard. Printer: Hilbritys: International GmbH. Admiral-Rosendahl-Strasse Ja. 63263 Neu-Isenburg ISSN 0174-7363. Responsible Eduor: Richard Lambert. on The Financial Times Lumded. Number One Southwark Bridge, London SEI 9HL. FPANCE.

FRANCE:
Publishing Director: P. Maraviglia. 42 Rue
La Bodie. 73008 PARIS Telephone (01)
53'6 8254 Fax (01) 53'6 8253 Printer:
S.A. Nord Eclair. 15'21 Rue de Caire.
F-54'00 Roubini Cede I. Editor Richard
Lamberi. 15SN 1148-2753. Commission
Partiare No 67808D.

Partane No o'NOSD.

SWEDEN:
Responsible Publisher: Hugh Carneys 468
ol's ost8h. Printer. AB Kvällstichungen
Expressen. PO Box 0007, S-350 06.
Jönköping.

The Francial Times Limited 1996.
Editor: Richard Lambert.
Jo The Francial Times Limited, Number
One Southwark Bridge, London SEI 9HL,
R

(£30.99m) for Irish Steel was formally approved by the The European Commission European Commission yesterdecided yesterday to drop pro-posed changes to controversial Brussels and Andrew Jack Paris.

The assistance is linked to the sale of the company to Ispat International and has a number of conditions attached, including limits on the range of products and output. The Commission also authorised £111m of aid to the UK coal industry to cover compensation for industrial injury and health damages to former British Coal workers.

Brussels also announced an investigation into a FFr24m (£3.14m) aid payment to Saab Scania in Angers, France. The Commission is worried it exceeds regional limits and is destined for production, which could harm competitors.

transfer of undertakings. Unice, the EU employers' federation, argued that a new definition was necessary to counter a European Court of Justice decision which had extended the scope of the law to cover contracting-out.

"This was not in the legislator's sights at the outset. As it stands the legislation is damaging to small and medium-sized enterprises in the services sector," Mr Nils Trampe, the Unice secretary for social affairs, said. He added that retaining the original definition of a transfer left a high degree of uncertainty about the scope of the law.

Mr Padraig Flynn, EU commissioner for social affairs. advised fellow commissioners to drop the clause to "avoid a constitutional clash" with the European Parliament. The proposed revision had

been suggested "not in any way to impose restrictions on the transfers now covered but simply to make it clear what a transfer is". He said the parliament's view was that the proposed

changes would not improve legal certainty, while bringing in new factors of uncertainty which could prove prejudicial to both workers' rights and companies' interests"

Mr Flynn has left the door open for further negotiations on the issue.

He said the Commission would prepare a memorandum based on the European Court's case law on transfers of undertakings "where the concept of transfers would be reviewed in detail, spelt out and clarified".

weekly meetings enabling it to touch on all the main issues so that he can present a comprehensive "interim report" when Italy hands over the EU presidency to Ireland at the end of

The Irish will then have to

which is ineffective?"

says, but "institutions are really the instruments to do things". It is when they do not work that the EU becomes

# Yeltsin tries Brezhnev era politics Business outlook in

The Kremlin has, by all official accounts, been deluged with letters from around Russta in recent days imploring President Boris Yeltsin to run again in the presidential elections in June.

rapse the party of the property of the propert

is the Massure

Essar.

Fig. 12 person

ers held

the Boston

dell ettraduor Selko Madic

The threatener

aplem-mana

.... Gen Ljordje

De eight Serbs

ajeto, Nenher

Breman Serb

Cational law by

or the handed to

a ich Hague

Hospital Charles 1925 Engo E fileu

German Tudjaran

asion

1. - F. of the \$100

etill.Compage

the District

Sensi Plan Spring.

770 - 3<u>219</u>

200 Paris - 5660

a determination

 $A_{\rm c} = -iA + R_{\rm c}(2)$ 

L 148 (1774-080

Villes<u>ista</u> Elementen

and graders as the B

10 10 THE RESERVE

\*\*\*\*\*\*

化化二烷烷 華

PERMITANTE AM and the second

230 80391.

by decree

A CONTRACTOR

1.51

。 点级图

31.02.07

 $_{1,\, \pm_{kl^{\prime\prime}(k)}MR^{\prime\prime}}\, dr$ 

्रो स्था स्थापन

killing

negative in the

or silled

December

Construction of the constr

The state of the s

11. 1994:21

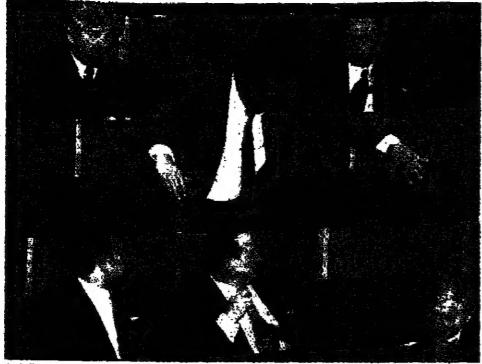
Tornado S state incess The Dieseme on Ben

Published requests, from workers' groups, business leaders, and cultural figures. have at times seemed to echo the toadyism of the late Brezhnev era when Communist party members outdid each other in praising the great leader of the nation.

Russian television even broadcast a football match at the weekend in which the players urged Mr Yeltsin to stand again. Mr Yeltsin, 65, has said he will make up his mind by next Thursday. Despite widespread criticism of his conduct of the Chechen conflict and his own poor health, Mr Yeltsin appears to be steeling himself for the

A drastic government reshuffle and several high-profile trips around Moscow, where he has been seen buying sweets and chatting with construction workers, hardly suggest the burly Siberian leader has retirement in mind.

In Rossiskie Vesti, the gov-



A definite runner in June's presidential election is ultra-nationalist leader Vladimir Zhirinovsky, pictured yesterday standing up to orchestrate his far-right faction in parliament

of several of Russia's biggest privatised oil companies this Mr Vagit Alekperov, president week backed Mr Yeltsin - no of the giant Lukoil company, doubt mindful of Communist party threats to renationalise some strategic energy compan-

ies. The executives, including said it was vital for Russia to have an experienced leader who could unite the nation's

varied interests, preserve its

integrity and press ahead with reforms, "The union of oil industry workers is certain that only you among Russian

politicians can fully answer

the demands of our time," Not to be outdone, several

members of the presidential council yesterday wrote an open letter in Izvestia pledging support for Mr Veltsin and criticised liberal politicians who resigned recently from the advisory body over Mr Yeltsin's policy towards Che-chnya. The president remains the main buttress of democracy in Russia and the guarantor of her Constitution," the letter stated.

The perfect opportunity for Mr Yeltsin to announce his candidacy may come next week when the president appears likely to visit Ekatinburg, where he established his reputation as a radical nmunist party boss.

The Interfax agency reported that Mr Yeltsin, who had been invited by a local group which supported his candidacy, would "address a rally attended by thousands".

The ever unpredictable Mr Yeltsin could yet decide to heed his wife's advice and retire gracefully. He would certainly appear to face an upbill battle against a revitalised and well-organised Communist party soon likely to endorse its leader. Mr Gennady Zyuganov, as its presidential candidate.

# Europe faces change dence. However, Mr Alain

Business confidence in Europe stopped falling for the first time in more than a year in January, a survey from the European Commission yesterday showed.

This boosted hopes that the mood in Europe may be set to change slightly in the coming months, after slower than expected growth triggered a dramatic loss of confidence in the past year. However, the survey sug-

gests that a gap is developing between the Franco-German core of countries and the rest of Europe. In France, Germany and Belgium confidence has continued to decline, but companies in some other countries, including Italy, Spain and the UK, have become more upbeat.

This range of sentiment may underscore the differing nature of Europe's present growth pattern, as large economies such as France and Germany struggle to introduce the fiscal measures needed to meet the Maastricht criteria.

According to the survey France has seen one of the most marked declines in confi-

Lamassoure, the country's budget minister, yesterday denied that the country was heading for recession. Speaking to the French newspaper Les Echos, he insisted that "this is not a recession, simply a pause - in

Some countries are performing well. But in Germany and France

it is different'

the middle of this year economic growth will resume the rhythm it had back in 1994". But French economists vesterday pointed out that the recent decline in business confidence had left sentiment back at levels last seen in 1993 when France was in recession.

Although most French economists suspect that the pessimism expressed by French companies in the surveys may be exaggerated, few expect to see much growth in manufacArtus, chief economist at the French financial institution Caisse des Dépôts a Europeanwide crisis - some countries like Italy, Spain and Denmark are performing quite well. But in Germany and France now it is quite different, primarily because of differences in domestic demand and invest-

The Commission's survey, which covers some 23,000 companies in 12 European Union countries, found that business confidence fell further in France and Germany in Janu-

Palls also occurred in the Netherlands, Ireland and Denmark. This weaker sentiment was accompanied by declining employment expectations and a fall in the level of expected manufacturing orders.

Consumer confidence rose slightly in the UK and Italy and a number of other EU countries, including France. However, a rapid deterioration in sentiment in Germany meant the level of overall consumer confidence throughout Europe remained flat in Janu-

# Polish privatisation plan survives cabinet changes

By Christopher Bobinski

Poland's privatisation minister, Mr Wieslaw Kaczmarek, has survived a determined effort to oust him by the Polish Peesant party (PSL), the gov-erning coalition's junior partner, after a week of talks on a new cabinet.

The government, which was sworn in yesterday, is led by Mr Wlodzimierz Cimoszewicz, a former communist party member and most recently the deputy speaker of the parlia-ment. It succeeds one led by Mr Jozef Oleksy, who resigned after being accused of spying

The PSL had wanted privati-

Raczmarek's survival means that this year's \$720m privatisation programme - which includes the sale of a minority stake in the country's Polska Miedz copper producer remains on track. Among other planned disposals are the Ruch newspaper distribution network, the DT Centrum chain of city centre department stores,

as well as breweries, chemical and white goods producers. The other key economic posts in the cabinet, such as finance and industry, remain in the hands of Mr Grzegorz Kolodko, who is also a deputy prime minister, and Mr Klemens Scierski.

The Labour Ministry, which is crucial to the future of sation slowed down and Mr Poland's reform of its social

security system, has been given to Mr Andrzej Baczkowski, an experienced ministerial official, while Mr Leszek Miller, the previous minister moves to head the cabinet office.

The new cabinet also sees the replacement of Mr Jerzy Jaskiernia, the justice minist who was accused by both the PSL and the Solidarity opposition of using his position to aid President Alexander Kwasnjewski in his election campaign last November. Mr Jerzy Konieczny, the inte-

rior minister brought in after Mr Oleksy was accused of spy-ing, has been replaced by Mr Zbigniew Siemiatkowski, a close aide of President KwasMeasures fail to toughen stance against illegal entrants, says minister

# Italy's immigration law 'inadequate'

government decree tightening Italy's immigration laws has been described as totally inadequate by a minister in the outgoing govern-ment, which introduced it on November 19.

The measures are turning out to be too complex for the bureaucracy to handle and are failing to address the most sensitive issue of being tougher in expelling illegal immigrants, according to Mr Giovanni Rinaldo Coronas, interior minister in the outgoing government of Mr Lamberto Dini.

The right-wing alliance, headed by former premier Silvio Berlusconi's Forza Italia, whose representatives pro-

posed 38 amendments to the decree, yesterday endorsed Mr Coronas's views. The decree has yet to be voted into law: it is being enacted by cabinet decree, which will shortly have

to be renewed. Assessing the first months' operation of the decree before parliament on Tuesday, Mr Coronas said 1,573 expulsions had been decided under the new legislation but "probably none" had been carried out.

"The expulsion orders, even under the new regime, are not being effectively carried out," he declared, urging parliament to improve the expulsion system. The decree was designed to make it more difficult for those served with expulsion orders to remain in the country. But unless a person is dures for repatriation plus the accused of a serious crime (when he or she can be deported instantly), immigrants have a minimum of 10

The interior minister said 1.973 expulsions had been decided under the new legislation but 'probably

7,417 were carried out. This days before expulsion orders are executed. repatriations in 1994 out of

and immigrants can use the 10 of the authorities. The cumber-

also been criticised in this Last year, 56,015 expulsion respect by its EU partners. orders were served but only But with over 500,000 people in the country illegally, most politicians, backed by a strong

problems of obtaining funding

compared with 6,139 actual

The new legislation had been

intended to tackle the enor-

mous gap between those per-

sons the state had sought to

56,586 orders issued.

none' had been carried out

The orders are open to challenge in administrative courts days to evade the loose control some administrative proceCatholic charity lobby, ruled

out mass expulsions as impractical and politically unacceptable. The new decree encouraged illegal immigrants to register, regularising their situation via advance social security payments and presenting letters from employers. Since November, only 74,359

tively repatriated. Italy has

people have applied to regularise their status, largely because the measures have been poorly publicised and people are waiting to see what changes parliament will make.

### **NEWS:** THE AMERICAS

# Drop in US trade deficit lifts hopes for \$

The US trade deficit dropped to \$7.1bn in November, signalling a sharp improvement in the US external position and raising hopes of a sustained strengthening of the dollar.

The commerce department said the shortfall was the smallest since March 1994. The decline marked the fifth consecutive monthly improve-ment in the deficit, which hit a peak of \$11.4bn last June.

The figures compared favourably with Wall Street projections of a deficit of about \$8bn, in line with the \$8.2bn shortfall in October. Mr Allen Smai, chief economist at Lehman Brothers, the New York investment bank,

said the data marked "a clear turn in trade and in the US current account deficit" and should reinforce expectations of dollar appreciation in coming months.

The improvement reflected a 1 per cent increase in exports to \$67.4bn - impressive given sluggish demand in many of US export markets. Exports in November were running 9.2 per cent higher than in the equivalent period of 1994.

Imports fell 0.7 per cent to \$74.4bn, reflecting slower growth of consumer and business demand in the US. Imports were up in the year to November, but by only 4.6 per cent - half the rate of growth

of exports. US bilateral deficits with most regions declined substantially. The deficits with Japan and China fell to \$4.1bn and \$2.8bn, against \$4.8bu and \$3.6bn respectively in October. The deficit with western Europe declined to \$0.9bn, against \$1.1bn in October. But the US deficit with Mexico rose to \$1.7bn from \$1.4bn, reflecting continuing

year's financial crisis.

1993, having lost a takeover

battle to their cousin, Mr

Only 18 months ago Mr

Javier Garza was boasting of

plans to invest \$10bn in the

soon-to-be liberalised telecom-

munications sectors of Mexico

and Cuba, and in environmen-

Today he strikes a more cau-

tious note. The devaluation of

the Mexican peso in December

1994 and the entry of telecoms

heavyweights such as AT&T

and MCI into the Mexican mar-

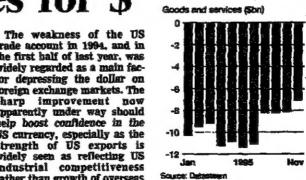
ket seem to have dampened his

enthusiasm for joining the big

league. Plans to start his own

Eugenio Garza Laguera.

the first balf of last year, was widely regarded as a main factor depressing the dollar on foreign exchange markets. The sharp improvement now apparently under way should belp boost confidence in the US currency, especially as the strength of US exports is widely seen as reflecting US industrial competitiveness rather than growth of overseas strains in Mexico after last



# Trouble with the Cuban telephone bill

Leslie Crawford and Pascal Fletcher investigate the failure of Grupo Domos of Mexico to pay its final instalment and clinch a \$1.5bn telecoms joint venture with Havana

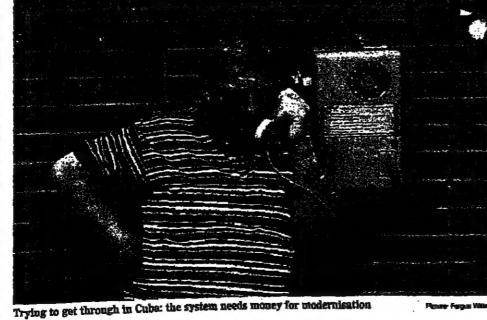
d uba's flagship foreign investment project - a - \$1.5bn telecommunications joint venture with Grupo Domos of Mexico – appears to have turned sour because of the failure by Domos to honour its part of the bargain.

Domos, a private Mexican group, has failed to pay a final \$50 m instalment for its 49 per cent share in the Cuban telephone company Rtecsa. The payment fell due last October, and Domos admits it is looking for a new foreign pariner to provide the cash it does not

The group's financial difficulties are an embarrassment to the Cuban authorities, who announced the telecommunications project with much fanfare during a meeting in Cuba, in June 1994, of President Fidel Castro and Mr Carlos Salinas, then Mexico's president.

The joint venture is, on paper, to be the biggest foreign investment on the island, as well as Cuba's first big divestiture in a big public utility. Given its importance to the Cuban economy, many were surprised at Havana's choice of the company to spearhead the modernisation of its dilapidated telecommunications net-

Domos, a little-known com-pany with limited experience in the sector, was selected in preference to European and Canadian competitors. It seems Cuba's close political ties with Mexico tilted the balance. Lamos agreed to pay \$706m for its stake in Etecsa, and pledged to invest \$750m over the next



seven years to expand services. However, after a honeymoon period while legal details and organisation were being tackled, doubts began to surface about Domos's ability to

in Havana, Mr José Luis Rodríguez, Cuban vice-president and economy minister. said there were "steps to take" so as to resolve the issue, but insisted it was not affecting

Etecsa's operations. In Mexico, however, Mr Javier Garza Calderón, president of Grupo Domos, could not say precisely when he would be able to meet the \$320m commitment. We real-

ise this is a very important issue for the Cuban government, as it is for us,"

Mr Garza said in an interview at his office in the northern Mexican city of Monterrey. We are looking for a partner who can bring value added to the company, and who will be acceptable to the Cuban authorities."

Mr Garza belongs to one of the wealthiest industrial families in Mexico, but his net worth, and that of his private company Domos, is unknown. He and his father sold their stake in Grupo Visa, one of Mexico's largest conglomerates, for a reported \$400m in pany, in partnership with Bell South of the US, have been Mr Garza says his financial

difficulties with the Cuban venture began when the Mexican government refused to extend him credit for a \$300m debt swap which formed part of the deal. Cuba owed this money to the Mexican government and, under the terms of the purchase agreement, Domos had agreed to cancel the debt.

According to Mr Garza, the Mexican government demanded cash, and set a price way above the value of Cuban debt which is traded in the secondary financial markets.

Soon after signing the deal with Cuba, Mr Garza sold a quarter of Compania Interamericana de Telecomunicaciones (Citel), the holding company for his Cuban venture, to Italy's Stet for \$281m. Now, he would like to sell another 24 per cent to a new partner for \$500m-\$600m.

Based on a new valuation by KPMG Peat Marwick, the UK accountants, Mr Garza says Etecsa, which was valued at \$1.5hn in 1994, is worth about

Potential investors are likely to balk at the price tag. Etecsa's theoretical valuation is roughly half the market canitalisation of Telmer, Mexico's privatised telecoms company and one of the largest corporations in Latin America.

Mr Garza argues the price is merited by the 12-year exclusive telecoms concession awarded by the Cuban governlong-distance telecoms com-

ment and by a dramatic increase in the volume of international calls from Cuba since the US lifted its telecoms embargo against the island. International calls rose from 400 a day at the start of 1995 to 50,000 a day in December, which netted a \$120m profit for Etecsa last year, according to

Mr Raul Taladrid, Cuba's deputy foreign investment minister, said Domos's difficulties would not affect Cuba's plans to modernise its telecom-munications. "We hope the Mexican partner stays. It's such a good deal that it's going to go ahead. Everyone wants to come in. We have a captive market of international phone

The difficulty Cuba has experienced with Domos, however, is likely to make it choose its foreign partners more carefully in future.

The Cuban telephone ven-ture is the second big Mexican investment to go awry in the wake of the country's financial crisis. In September 1994 Cuban and Mexican officials announced that a group of Mexican state and private investors, Mexpetrol, would modernise and operate an oil refinery built in Cuba by the Soviet Union.

A year later Cuban officials said the \$200m refinery project, at the port of Cienfuegos, with the Mexican group had been "cancelled" and Cuba was again seeking foreign partners for the venture, so far apparamerican News Digest

# Boeing crash 'due to storm'

Lightning may have caused the crash of a Boeing 757 aircraft off the Dominican Republic, in which all 176 passengers and 13 crew are believed to have died, the head of the main tour operator using the flight said yesterday.

Mr Vural Oeger, head of German-based Oeger Tours, said he had heard from Alas Nacionales, the Dominican airline which chartered the aircraft, that lightning appeared to have damaged both engines, causing the aircraft to plunge from an altitude of 10,000 feet on Tuesday night.

"We doubt there are any survivors," said General Juan Bantista Rojas Tabar of the Dominican Air Force. "It appears that the airplane sank immediately. We found some floating debris but no pieces of the plane."

In Germany, the transport ministry said the Boeing was not insured and did not have proper authorisation for its flight to Germany. London underwriters said the airliner had hull insurance worth \$34m, partly underwritten in the UK capital, but it was not clear what passenger liability insurance was in place to cover death or injury costs. This was the second crash of a Boeing 757 in less than two months. On December 20 an American Airlines jet crashed into a mountain as it approached Cali in south-western Colombia, killing 164 Ralph Atkins, London and Reuter, Puerto Plata

### Challenge for cyberspace bill

A telecommunications bill which President Bill Clinton is due to sign today faces legal challenges over regulation of pornography in cyberspace and language that, critics say, could hamper women's ability to get abortion information on

"The minute after he signs it, we're going to be in court seeking a restraining order," said Mr Philip Gutis of the American Civil Liberties Union. He said that about 20 groups and individuals - including privacy rights activists, Planned Parenthood and others -

have already joined the ACLU to become plaintiffs in such a case. They cite constitutional concerns over free speech and Lawyers say the language under dispute would impose criminal penalties on people who make available "indecent"

service. It also could make a crime out of the posting, on the Internet or a computer bulletin board, information that could be used to produce an abortion. Reuter, Washington

material to minors on the Internet or a computer on-line

## Haitian president sworn in

Mr René Préval, an agronomist and a former prime minister of Haiti, was sworn in yesterday as the country's president, succeeding his ideological mentor, Mr Jean-Bertrand Aristide. The peaceful transfer of power was unusual in a country whose leaders since independence 192 years ago have come to office through coups d'état or elections of dubious integrity.

Mr Préval, who takes over a country ranked the poorest in the western hemisphere, had said this week that his priorities were improvement of the economy and ending outbreaks of violence and public disorder.

He plans meetings with friendly governments, aid agencies and financial institutions reluctant to release most of the \$1.2bn promised to Haiti because Mr Aristide did not implement agreed economic reforms, including the unpopular

privatisation of state-enterprises. Officials said yesterday that Mr Préval will carry out the privatisation, but will seek changes to make the programme more acceptable to Haitians." Conute James, Kingston

# Israel rejects claim that kibbutz debt errors threaten banking system.

Israel's central bank yesterday denied that the country's big commercial banks might face collapse because they miscalculated debts owed by the kibbutzim, or collective

It had been claimed the banks might be forced to pay back kibbutzim for years of overcharging and miscalculation of debt,

role in the creation of the Jewish state, began as agricultural collectives but have become more industrialised over the years. They have been plagued by poor management and high expenses in providing consumer comforts - more luxurious housing and the latest electronic goods -

to try to retain members. The denial was aimed at calming the financial markets and reassuring investors

participating in the privatisation of Bank Hapoalim, the country's largest. The central bank statement came after the publication of a report by a legal expert examining the debt history and accounts of individual kibbutzim. The expert's report, commissioned by the kib-butz movement, detailed individual cases of banking miscalculations and claimed

that the errors nationwide were so serious

that they could threaten the banking sys-

tem. Estimating current kibbutz debt at Shk15bn (23.2bn), Mr Zeev Abeles, the central bank's supervisor of banks, said yesterday's reports "do not reflect reality in any way". He said the commercial banks had put aside enough in reserve to stay out of trouble. "These reserves represent a cushion for possible future losses and will also serve to weaken their possible impact on banks' profitability." He said government had responded adequately to the

arrangement for the kibbutzim of culations on their personal accounts.

However, it is unlikely the controversy will die down quickly. The kibbutzim have claimed that for years the commercial banks have incorrectly calculated accounts and accumulated millions of dollars, illegally compounding kibbutzim debt. Independent consumer banking groups have also charged that individual

problem by making a first debt relief citizens have been victim to gross miscal-While the central bank and finance ministry sought to play down the allegations, Mr Yacov Tsur, agriculture minister, backed the report's findings. He said evidence of poor accounting required a for-mal inquiry and he accused the central bank and treasury of seeking to avoid an inquiry in order to maintain the credibility

# Fitful Africa deepens donors' dilemma

Michael Holman says would-be friends will have found many elections but not much democracy

Africa's decade of democracy, the 1990s are proving that the path to multi-party politics and mar-ket-driven economic policies is a bumpy one.

Recent coups in Niger and Sierra Leone, unrest in Equatorial Guinea, the deepening crisis in Nigeria and the failure to restore order in Zaire, Liberia, Sudan, Rwanda and other crippled sub-Saharan Africa states are the most obvious signs of stress.

But adding to the concerns of international donors, anxiously looking for evidence their policies are helping Africa recover from its disastrous post-independence record, has been the weak performance of government and opposition alike in many of the continent's new democracies.

"The wind blowing from Europe has begun to sweep Africa," anthused the late French President François Mitterrand in 1990, as the end of the cold war and the democratisation of communist regimes helped inspire African electorates frustrated by years of dictatorship. France, Britain, the US and other leading donors added to the pressure on authoritarian regimes by linking aid to what they called "good

governance" From Ethiopia to Zambia, military rulers succumbed to democracy, and one-party civilian regimes gave way to demands for multi-party elections. In several, notably South Africa and Namibia, democracy has taken root, adding them to the ranks of Botswana and Mauritius. But in most the outcome has been flawed or fragile.

Is it because the democratisation of a continent burdened by arbitrary boundaries and the lop-sided eco-nomic legacy of the colonial era is bound to be "gradual, messy, fitful and slow, with many imperfections along the way", as Larry Diamond, an American political scientist, has

Or have the donors got their priorities wrong, forcing the continent to "follow mindlessly the present politi-cally correct and stridently advocated view that democracy is the pre-condition for economic development", as Singapore's senior minister Lee Kuan Yew put it in a speech in 1993.

Taking multi-party elections as a yardstick of change, the continent has been transformed. Over the past few years parliamentary elections have been held in 35 of 48 sub-Saharan countries. But encouraging though this is, say African analysts, the transition to democracy is far from complete or secure.

In 17 countries "these elections did not bring about significant change in

Elections have been held in 35 of 48 countries in sub-Saharan Africa

the direction of democracy", argues Dr Marina Ottaway, visiting professor of African Studies at Georgetown Uni-

versity, Washington. In seven countries (Burkina Faso, Cameroon, Ethiopia, Gabon, Guinea, Mauritania and Togo) elections were "seriously flawed". In another four (Angola, Gambia, Nigeria and Burundi) election results "were voided by subsequent non-democratic interventions"; and in six (Congo, Djibouti, Ghana, Ivory Coast, Kenya and Senegal) the elections "were at best marginally free and fair", writes Dr Ottaway in a paper published last

For aid donors this record poses awkward questions. Although economic reforms - competitive exchange rates, trade liberal-isation, privatisation - have gone hand in hand with political change, the link is not borne out by the Asian experience, as Mr Lee pointed out. Nor, he could add three years later, is it self-evident in Africa either.

It was Ghana which blazed the African economic reform trail in the early 1980s, making it the World Bank role model, a status enhanced when the military government of Jerry Rawlings held multi-party elections in

But in the run-up to the polls, the government relaxed monetary and fiscal discipline and eased back on reform measures, including privatisation. Although the ruling party won the election, it paid a high price: money supply rose, inflation climbed, and foreign investors held back.

Now Uganda has taken over as the star performer, registering annual average economic growth of around 5-6 per cent cent over the last 10 years. President Yoweri Museveni, however, presides over a de facto oneparty state, tolerant of opposition, but allowing no fundamental challenge to his administration.

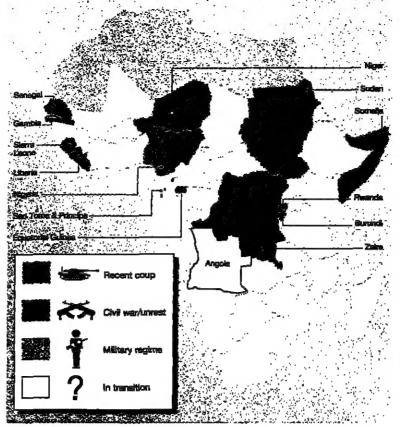
Had the record of opposition parties in Africa's new democracies been more encouraging, donors would be on firmer ground.

As it is, the opposition performance

has been weak, whether in Ivory Coast, Kenya, Zambia, Tanzania, Zimbelieve or elsewhere. Ethnic loyalties, not policy, have determined voter allegiance, while the institutions which should buttress democracy ~ the press, judiciary, civil service, trade unions - have yet to recover from the era of autocratic rule. Meanwhile the donors' own short-

comings have become increasingly apparent. Trade or security concerns frequently take precedence over strict enforcement of the principles of "good governance", a fact many donors do their best to conceal by conducting discussions in secrecy.

The battle for democracy south of the Sahara



They are also divided within their own ranks, and often inconsistent in their approach, making multi-party politics a condition of aid to Kenya, but not Uganda, for example. Critics also point out that the same donors have not allowed human rights to stand in the way of increased trade

For donors trying to steer a course between principle and pragmatism. rewarding reform as well as punishing transgression, the decisions are often difficult. But as Dr Ottaway points out, there

is always a danger that the aid com-

munity can be outwitted: "African leaders are learning that foreign donors can be appeased without a complete surrender to the voters'

"They are becoming adept at hold-ing elections that are just open enough not to incur sanctions by the international community while protecting themselves against excessive competition."

With the leaders of Ghana, Zimbabwe, Zambia and Kenya all facing elections in the coming months, no doubt both opposition parties and donors will be bearing this in mind.

INTERNATIONAL NEWS DIGEST

# Iraq restores power to Kurds

The Iraqi government, in a bid to mend fences with its Kurdish rebels, will resume the supply of electricity to its northern provinces, the government newspaper al-Jumhouriya reported yesterday.

The move was made as Iraqi and UN officials met in New York to discuss an oil-for-food scheme in which Iraq would be allowed to sell limited amounts of oil in order to ease the suffering of its people

UN Resolution 986, which Iraq rejected but is now willing to discuss, allocates \$130m to \$150m for the UN humanitarian programme for Kurds for each \$1bn of oil sales.

The earmarking of money for the Kurdish north and how food will be distributed there are believed to be the most difficult hurdle at the New York talks.

### Sun City in political gamble

The government of North West province, formerly the South African "homeland" of Bophuthatswana, has joined forces with Sun International, owners of the Sun City resort and other casinos, to preserve its share of profits from gambling resorts licensed during the apartheid era.

Mr Martin Kuscus, North West finance minister, told the national parliament's committee on lotteries and gambling that earnings from the provincial governments' Ri 6bn stake in Sun International were vital to fund development and welfare projects.

The committee is examining proposals in the National Gambling Bill which would reduce the number of licences in North West from seven to five. The bill also includes anti-monopoly clauses which threaten the exclusive gaming rights secured from Mr Lucas Mangope, the deposed Bophuthatswana president, by Sun International, the leisure group founded by Mr Sol Kerzner.

#### Lebanon to curb broadcasters The Lebanese government decided yesterday to close down

dozens of private television and radio stations which have flourished since the 1975-90 civil war.

It will license only five private television stations and 10 private radio stations. At present there are 57 private television stations and more than 150 radio stations operate in Lebanon. Many were set up by civil war militias but have been commercialised since the war ended.

Opponents of the proposal say it is an attempt to curb press freedoms and concentrate the media in the hands of political and sectarian chiefs.

#### **NEWS:** WORLD TRADE

# Thais to begin talks on power supplies

By Ted Bardacke in Bangkok

Thailand's state-owned Electricity Generating Authority yesterday announced a further step towards privatisation, the largest of its kind in Asia saying it would start talks with two international consortia to supply up to 1,400MW of power by the year 2000.

The consortia are Tri Energy, made up of Thailand's Banpu Coal and Texaco and Black & Veatch of US, and another including Thai Oil, Unocal and Westinghouse of the US. They were selected from 16 bidders who submitted documents last June. Back-up consortia, which will be called on if the two top-rated groups cannot reach an agreement, include Bangkok Energy System, a Thai-US joint venture, and Tuna Power, comprised of Loxley and Hemeraj of Thailand, Powerfin of Belgium and Bechtel of the US. Talks are expected to conclude in Sep-

Next month the authority will announce another shortlist, culled from 17 additional bidders, to supply 2,400MW of electricity in 2001 and 2002. Documents for another round of bidding, to supply 4,000MW between 2003 and 2006, will be issued later this year.

Both Tri Energy and Thai Oil, as well as the back-up consortia, propose building gasfired plants, quashing specula-tion the authority would favour coal-fired plants because of concerns about the stability of natural gas supply. "It looks like we have more gas coming from our own production and from our neighbours,' said Mr Preecha Chungwatana. the authority's governor.

The electricity authority has put a premium on diversifying fuel sources, and competition from coal in the next list is likely to be more acute, despite

Mr Preecha said the diffi-culty of evaluating 88 different options from 30 consortia, with numerous geographic loca-tions, fuel sources and pricing structures, meant in the 2003-2006 round the authority would specify the fuel and gen-

# Rolls-Royce wins more Asian orders

Rolls-Royce of the UK continued its run of Asian successes yesterday by announcing that Singapore Aircraft Leasing Enterprise (Sale) had chosen its Trent 800 engines to

the order was worth \$150m. 777s would depend on the engines for Boeing 777s oper- dish companies Westcoast Although Rolls-Royce last year won the contract from Singapore Airlines to provide engines for 61 Boeing 777s, yesterday's Sale order was not a foregone conclusion.

Mr Cheong Choong Kong, managing director of Singapower six Boeing 777s.

Sir Ralph Robins,
Rolls-Royce chairman, said at that the choice of engines for the Asian Aerospace show that the leasing company's Boeing won contracts to supply

wishes of the airlines which planned to fly the aircraft. Sale has options on another 10 Boeing 777s but has made no deci-

sion on engines for these. Last year's Singapore Airlines order was a breakthrough for Rolls-Royce as the carrier had traditionally bought its engines from Pratt & Whitney of the US. Rolls-Royce has also

ated by Malaysia Airlines. Cathay Pacific and Thai Airways International. The decision takes the Trent's market share on the Boeing 777 to 36 per cent.

 Rolls-Royce yesterday also announced an order for its industrial Trent aeroderivative gas turbine by Whitby Cogeneration Partnership of Canada, a venture between Cana-

Power and Atlantic Packaging Reuter reports from Singa-The engine will be supplied

as part of an electrical generat-ing plant designed by Westinghouse Electric.

The cogeneration plant will supply power to Ontario Hydro, and provide process steam to an Atlantic Packaging

# US lets shipping trade talks gently sink

An election year is no time to make headway on liberalisation, writes Guy de Jonquières

ess than six months before they are due to be concluded, negotia-tions aimed at liberalising world merchant shipping are floundering in a sea of troubles. Not only have the talks made little headway; but some observers are questioning whether they are really worth

The talks, in the World Trade Organisation, are among the unfinished business of the Uruguay Round, which launched them as part of a landmark agreement to extend global trade rules to services. Along with parallel initiatives in financial services and basic telecommunications, the search for a maritime agree-ment poses a test of the WTO's

authority and its effectiveness as a negotiating forum.

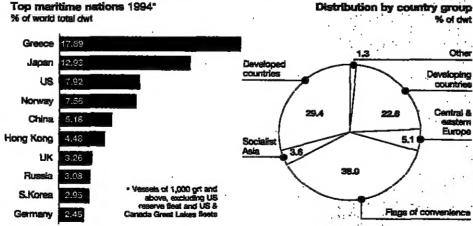
Negotiators in Geneva have already sat through eight sessions. A ninth is planned for next week. Yet many partici-pants doubt a breakthrough can be made before the June

deadline set for an accord. The talks' main goal is to commit members to abolishing protectionist practices on international shipping routes, such as reserving a share of cargo for national lines. They also aim to open up port and auxiliary services, such as pilotage

and cargo handling. The most frequently cited stumbling block is the US, which has tabled no proposals to liberalise its market since it withdrew the modest offer it made in the Uruguay Round. The US insists it is up to other governments to make the running. Almost 30 other WTO members, including the European Union, Australia, Canada and some Asian countries.

Top maritime nations 1994\* % of world total dwi

World shipping: where the weight is



have kept offers on the table. However, negotiators say they have little incentive to improve them until Washington commits itself more actively to the

Little suggests that will hap-pen soon. US shipping opera-tors, and the small but politically powerful US maritime unions, are unenthusiastic about a global accord. The Clinton administration appears split on the issue and averse to grasping it before the presidential election in November.

Indeed, Washington has been widely accused of caving in to its shipping lobby late last year, by enacting legislation which gives US shipping companies a monopoly over the transport of exports of crude oil from Alaska's North Slope Some shipping experts argue,

however, that global competi-

tion in the industry is now

growing so fast that the WTO negotiations are irrelevant. These talks are trophy hunting, designed to keep trade policy groupies in business," says one European industry official.

In much of the developing world, governments have abandoned cargo reservation systems, as the state-owned lines which they were sup-posed to benefit have suc-cumbed to financial difficulties and more efficient international operators.

The trend has been particularly striking in Latin Amer-ica, where freer competition has cut container rates by 25 per cent in three years. It has also spread to Asia. Korea, for instance, plans to scrap its cargo preference rules by 1998. Such practices are now systematically applied only by a few African countries.

The EU, meanwhile, says its shipping market is already open, except for restrictions on a few African routes and services at a handful of European ports. The US retains some cargo preference laws, but they are estimated to affect less than 2 per cent of US oceanborne foreign trade. Even enthusiasts concede a

WTO agreement would do little to open markets further. Its main benefit, they say, would be to cement in place liberalisation already achieved and curb US laws which provide for unilateral trade retaliation in

One area in which real protectionist barriers remain is in the transportation of goods to and from ports. The US has proposed that this issue be brought into the WTO negotia-tions, saying restrictions in many countries frustrate the trend towards integrated "multi-modal" cargo systems. The EU broadly supports

resisted by other WTO members. Many view it as a smoke-screen for US delaying tactics, or as a back-door attempt to expand the negotiations to cover all types of surface trans-

Gloomy negotiators are already wondering what to do if the talks are still stalled in June. One option would be to extend the deadline. But to do so again, after failing to reach a deal during the Uruguay Round, could rob the exercise of all credibility. An alternative would be for

governments with concessions on the table to extend them to each other for a limited period. However, any such arrange-ment would be purely volun-tary and lack the binding force of WTO rules.

Another possibility is that the EU might rescue the talks by persuading other govern-ments to conclude an agreement which did not involve the US, as it did last summer when WTO negotiations on financial services faced the threat of col-

However, that trick could be much harder to pull off this time, because many developing countries are reluctant to make the sorts of concessions the EU wants unless they are matched by Washington. Den-mark and Greece also see little point in a deal which involves no US concessions.

As trade diplomats ponder this unpromising outlook, some are seeking solace from the experience. Says one: "At least we have learned that we should never again set a deadline for difficult negotiations which falls in a US presidential

WORLD TRADE NEWS DIGEST

# BHP shrugs ofta sanctions threat

Broken Hill Proprietary, the large Australian resources group, yesterday played down a threat of sanctions against it in the US because of its involvement in a possible A\$1bn (US\$740m) gas pipeline project between Iran and Pakistan. Senator Alfonse D'Amato, chairman of the US Senate's

Ass

 $E_{ab}$ :

25.

10

banking committee, wrote to BHP this week, warning the company could face sanctions if it rushed through an agreement on the pipeline to beat congressional legislation allowing US sanctions on non-US companies that invest in BHP acknowledged that it had been in discussions with the

Iranian government, along with other western companies, but said it had made no commitments and signed no contracts. It said any reports of a feasibility study being undertaken were inaccurate, and that it would not be pre-empting US

## Beijing pressed on oil refinery

Mr Chey Jong-hyon, chairman of South Korea's Sunkyong business group, yesterday met Mr Li Peng, the Chinese premier, in Beijing to seek final approval for a \$1.5bn of refinery in Shenzhan. The refinery is the single largest South Korean investment in China since the two countries established diplomatic relations in 1992.

Beijing has withheld final approval as it wants the refinery located elsewhere to help provide balanced regional economic development. Sunkyong prefers Shenzhen since it has harbour facilities for oil tankers.

Sunkyong has indicated it will invest \$10bn in establishing petrochemical facilities in China if the oil refinery project is approved. Sunkyong owns Yukong, South Korea's largest oil refiner.

# Bulgaria to modernise reactors

Bulgaria will call for tenders for the modernisation of its newest and largest reactors to improve their reliability and efficiency. Mr Roumen Ovcharov, deputy chairman of the Bulgarian energy committee, said the US Export-Import Bank was backing a \$250m programme by Westinghouse. Russian experts, Germany's Siemens and France's Framatome are also expected to make offers for rebuilding the

## Fibre optic link for Puerto Rico

AT&T, the US telecoms giant, has joined Tricom and Codetel, two telecommunications companies in the Dominican Republic, in the construction of a \$30m fibre optic cable Republic, in the construction of a \$30m fibre optic cable linking the country to neighbouring Puerto Rico. The Dominican companies will have a 50 per cent interest in the venture, with AT&T holding 13 per cent. Telefonica Larga Distancia of Puerto Rico has a 7 per cent stake, while several European companies share the rest. The Antillane cable will be commissioned within 12 months, and will initially handle 15 000 simultaneous calls. 15.000 simultaneous calls.

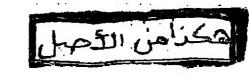
15.000 simultaneous calls.

The capacity will be expanded eventually to 300,000 calls, and will meet demand between the Dominican Republic and Puerto Rico for the next 20 years.

Canute James, Kingston

Great China Airlines of Taiwan has ordered six 76-passenger Dash 8-400 turboprop aircraft from Bombardier, the Canadian aerospace group, for early 1999 delivery and has options on six more. Ryukyu Air, part of Japanese Airlines, pilone to hum through a canada and back to hum through the second six more. plans to buy three 38-passenger Dash 8-100s with options for two more.

Robert Gibbens, Montreet



Japan may lift holding company ban China-Vietnam rail

!mble

DUDY IN CASE WE

incided to such

Router Bern

The Property Control

are in the course

The largest member, the Lib-

By Gerard Baker in Tokyo

Japan's ruling coalition

yesterday began considering a

proposed revision to the coun-

eral Democratic party, sup-ports the main principle of the FTC's recommendation, that businesses should be allowed to form holding companies, provided they do not threaten to become anti-competitive concentrations of market

But the Social Democratic party, the second largest coalimember, was understood to have demanded much tougher safeguards against anti-competitive practices.

The law banning holding companies has its roots in leg-islation imposed by the US government of occupation after

was to prevent formation of organisations similar to the pre-war zaibatsu, large crossindustrial groupings widely seen as key facilitators of Japan's military-industrial

machine in the 1930s. But last month the FTC presented the result of a long review of the law, suggesting it should be scrapped. The new legislation would continue the prohibition only when a company was thought to command excessive market concentra-

A holding company would be required to submit a full report

to the PTC if its total assets exceeded Y500bn (\$4.7bn). The coalition must submit its final version of the bill to parliament by the end of this

week if it is to be approved in the session ending next month. In anticipation of the passage of the bill, the country's Big Four stockbrokers had begun to study ways of setting up holding companies, officials said yesterday. The four rompanies, Nomura, Nikko, Daiwa and Yamaichi, are considering divesting their operations into separate activities, under the overall supervision of a holdThe plan would be limited mainly to reorganisation of their business, and would not extend to possible alliances with other companies.

Last week several leading banks were reported to be con-sidering a radical review of their relations with other companies as a prelude to establishing holding com-

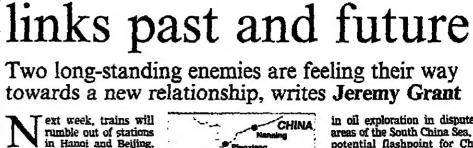
At present, banks hold vast numbers of shares in all sorts of companies and might sell some of them as part of a re-focusing around alliances organised under financial hold-

ket, diplomats say. However Hanoi, aware of the threat to its manufacturing base from China's economic might, hopes that by engaging Beijing commercially, it may neutralise any strategic threat from China and inject stability

Relations with China are

important to Hanoi, not least because of a shared culture. Chinese occupation of Vietnamese territory on and off until the 15th century left a heavy imprint on Vietnamese institutions and language. Place names, including the capital Hanoi, are rooted in their Chinese original and Vietnamese in its written form was in Chinese characters until the 17th century when a romanised form was intro-

Ideologically, too, the Viet-Vietnamese regime.



towards a new relationship, writes Jeremy Grant Text week, trains will

rumble out of stations in Hanoi and Beijing. bound for the border between Vietnam and China for the first time since war severed rail links in 1979.

After centuries in which relations have ranged from mutual suspicion to outright hostility, the two sides are feeling their way towards a new relationship. But for the Chinese and Vietnamese, the rall link symbolises two very differ-

Beijing, keen to exploit Vietnam's market of 73m people, is understandably happy about the re-establishment of a link that offers its market-hungry exporters the prospect of increased access to a new mar-

into an often fragile relation-

Never before have you had such economic pressure coming from China, not in the last 2,000 years," said one European diplomat. "The reality is that they have to deal with China."

duced by a Jesuit priest.

namese communist party feels it owes a debt to its Chinese counterpart for military and political help in Vietnam's struggle against France, the former colonial power, and against the US-backed South

The Chinese harboured former Vietnamesa president Ho Chi Minh before his return to Vietnam in the 1940s. The result has been an occasional tacit deference to Chinese might, where expedient.



In Vietnam, worries about China's economic muscle may not be expressed openly, but are real nevertheless. At Hanosimex, northern Vietnam's largest and most prestigious textile mill, officials show off garments made from locally spun yarn. But privately, they fear for their future. "You know," one factory manager confides, "a Chinese suit may not be as good as a Vietnamese one, but I can buy a Chinese

one for half the price. The most obvious threat to Vietnam's manufacturing base comes from southern China. Cheap consumer goods made there pour across the porous border every day, popping up in markets across northern Vietnam and to a lesser extent in Ho Chi Minh City. Vietnamese officials estimate that an estimated \$1.4bn worth of goods were smuggled into Vietnam from China and Cambodia last year.

It is a difficult test for the Vietnamese. But we believe that we can protect our production," said Mr Hoang Ngoc Cu, deputy general director of the trade ministry's foreign investment department.

Last year, a sharp rise in the price of rice in southern Chinese provinces sparked smug-gling of Vietnamese rice across the border on a massive scale, highlighting the vulnerability of the Vietnamese economy. "If they want to teach Vietnam a lesson all they need to do is raise the price of rice in one Chinese province," said the

In Hanol officials talk broadly of co-operation in fields of mutual interest but have ruled out joint-ventures in oil exploration in disputed areas of the South China Sea, a potential flashpoint for Chinese Vietnamese tensions.

Little has been said publicly about what initiatives the Vietnamese have in mind, but work is under way to create a special economic zone in the north-east, next to the Chinese border. Vietnamese officials say two-way trade between China and Vietnam is expected to exceed \$1bn this year, more than double that in 1995.

Exports to China are mainly rice, crude oil, coal, rubber and seafood. Hanoi buys cement, steel, chemicals and consumer goods, most of which form part of smuggled trade worth about \$500m annually

Evidence of Chinese activity is easier to find. One of China's largest vehicle manufacturers Automobile Conglomerate No 1, opened an office in the Vietnamese capital in October last year. A World Bank-funded contract to rebuild a section of Vietnam's main road artery, Highway One, went last year to China National Overseas Engineering Corp (Covec), one of the country's largest construction companies.

Diplomats say the award of the contract to Covec met with some resistance from retired but influential figures in the Communist party, who questioned whether Vietnam should be giving China the job of rebuilding a symbolically important piece of national infrastructure.

China has replaced the former Soviet Union as the largest buyer of Vietnamese rubber, using traders in Ho Chi Minh City to negotiate prices favourable to the Chines

Economic rapprochement with China is thus bound to come at a price. The rail link, though it will involve goods being unloaded and reloaded on the other side of the border because different gauges do not allow through-trains, has been heralded by Vietnamese and Chinese officials as promising greater two-way trade. But diplomats say China will benefit more. "The Chinese have come to seek business opportunifies. It's certainly more in China's interest," said the European diplomat. "The Chinese don't feel they owe the Vietnamese anything.

# Current account surplus down by 14.5%

By William Dawkins in Tokyo

Japan's current account surplus, measuring trade in goods and services, fell 14.5 per cent to \$110.44bn in 1995, the second consecutive year of

The fall, in line with market expectations, supports the rise in the dollar's value against the yen, up sharply to nearly

ASIA-PACIFIC NEWS DIGEST

India takes new

action on rupee

india's central bank yesterday announced a package of

measures aimed at halting the recent slide in the rupee, including scrapping a dollar credit scheme for exports and

raising interest surcharges on loans to finance imports. Mr C

Rangajaran, governor of the Reserve Bank of India, said the

exporters to remit foreign exchange earnings. He said they would be backed by closer RBI monitoring of forex trading.

Market uncertainty before the announcement helped keep

but dealers said the RBI package did not appear enough on its own to reverse the negative sentiment which has pushed the

foreign bank. "This is not going to change sentiment unless it is followed up by intervention." Mark Nicholson, New Delhi

Indonesian inflation above 10%

Indonesia's year-on-year inflation rate for January broke the

showed yesterday, but the economy registered a trade surplus for the first 11 months of 1995. The January consumer price

index rose to 10.98 per cent year-on-year and was up 2.16 per

a 4.48 per cent month-on-month increase in food prices.

cent on a month earlier. The government attributed the rise to

The November trade surplus was \$633.8m against \$509hn a

month earlier. Total exports rose to \$3.99bn in November from

\$3.90bn in October, while imports fell slightly to \$3.35bn from

Taiwan government majority cut Taiwan's ruling Nationalist party (RMT) has had its majority in the legislature reduced to one, after expelling two KMT legislators for supporting the opposition parties' candidate for

the influential post of speaker. The ruling party now holds 83 seats in the 164-seat chamber. The two errant lawmakers both belong to Taiwan's aborigine minority, which numbers some 300,000 of the island's 21m population. One, Mr Tsai

Chung-han, ran unsuccessfully for the deputy speaker's post

Mr Sardar Aseff Ahmed Ali, Pakistan's foreign minister, is due

in Washington today for talks about Afghanistan, amid reports that Islamic militiamen plan an assault on Kabul this

month. "The discussions may look at ways to prevent a bloodbath," one Pakistani official said. Concerns have grown

over the security of Kabul after reports of rocket fire and air

talibaan militia. Relief workers say almost a third of the

capital's 1-2m people is either severely malnourished or starving, and the international Committee of the Red Cross

South Korea expects a 1996 net foreign exchange inflow of

■ The China Securities Regulatory Commission has banned

\$13bn-\$15bn, against an estimated \$13bn last year, the ministry

local securities firms from such activities as paying kickbacks, slandering competitors, illegally reducing or eliminating

underwriting fees, or making use of officials to interfere with

raids by an unmarked fighter, thought to be controlled by the

Assault expected on Kabul

Laura Tyson, Taipei

Farhan Bokhari, Islamabaa

Reuter, Shangha

without the KMT's permission.

has resumed a food airlift.

of finance and economy said.

the market.

10 per cent barrier for the first time in three years, figures

the rupee steady at Rs37.20 to the dollar at yesterday's close,

rupee down 8 per cent against the dollar in the past five

currency," said the treasury manager of a Bombay-based

weeks. "The moves don't affect the physical flows of

moves were designed to put a brake on imports while pressing

yesterday. It came after a 15.5 per cent year-on-year decline in the December surplus to \$10.7bn, the finance ministry announced yesterday.

Japan's politically sensitive

trade surplus, the largest slice of the current account, fell 7.6 per cent to \$134.8bn for the whole of 1995, the first fall in five years, after a 9.5

per cent fall in December. Exports rose by 11.2 per cent last year, but this was easily outstripped by the 22.8 per cent growth in imports. This is testament to Japanese consumers' growing appetite for better-value foreign products. It also indicates the growing number of Japanese companies, mainly producers of cars and electronic goods, to have

shifted domestic production to cheaper foreign countries, from where they sell goods back to Japan. Japan's traditional deficit on

services grew 61 per cent to \$14.98bn. Most of that increase came from a rise in the number of Japanese taking holidays abroad, causing the deflcit on tourism to rise 23 per cent to a record \$33,51bn.

That was partially offset by an increase in foreign invest-ment income. The balance on the investment return account rose nearly 10 per cent to \$45.08bn, a consequence of the rise in interest payments on increased holdings of foreign bonds - higher yielding than Japanese ones. The deficit on the long-term capital account grew to \$84.5bn from \$82.04bn.



Grassroots support: A farmer near Melbourne puts his Angus-Hereford herd to work campaigning for Australia's main opposition party in the general election called for March 2 – and even the spelling is liberal. The opposition coalition, seeking to oust Mr Paul Reating's Labor party after 13 years in office, has traditionally gained a large sites of the rural vote, where many marginal seats lie this time. If the coalition wins at the poils it has pledged to tall a "rural finance summit" to seek ways of aiding a farm sector severely hit by drought in recent years. But the National Farmers' Federation has backed a government environment package, unveiled last month, which lays emphasis on sustainable agriculture

# Manila reserves at record as inflation fears revive

By Edward Luce in Manila

Philippine foreign exchange reserves have surged to record levels as a month-long trend of strong capital inflows revived fears of growing infla-

Mr Gabriel Singson, governor of the central bank, yesterday conceded the rise of inflation in January to 11.2 per cent meant the Philippines might have to revise its 1996 inflation target under a three-year International Monetary Fund programme

Under the IMF "exit" programme, already relaxed on two occasions to accommodate breaches of agreed monetary growth cailings, Philippine inflation is projected to average 6.5 per cent this year.

Last month's higher than expected rate, caused mainly by food shortages and a 10 per cent expanded value added tax, and the likelihood that the headline rate would continue to rise

over the next two months owing to higher oil prices, meant the target might have to be pushed upwards. But Mr Singson, who confirmed the central bank's dollar reserves had

reached US\$8.8bn - worth three months of imports - in heavy buying over the past week, said monetary growth was well within IMF-set tar-

The recent surge in inflation had not been caused by "loose monetary policy", he added. An official of the IMF, which is to

conduct its quarterly review of the Philippine economy at the end of this month, said the findings of the DAF mission could not be "prejudged". The team, which will conduct inten-

sive talks with Philippine officials on the country's performance targets, would look closely at recent inflation

The central bank, criticised last April for allowing broad money

growth (M3) to reach 45 per cent (well in excess of the IMF limit), yesterday stressed that its anti-inflation strat

egy was on course. By issuing "repo" bills for dollars instead of pesos, the bank had sterilised the heavy purchase of foreign exchange in the past few days. Daily central bank purchases have averaged more than \$100m since February 1 in reaction to an inward surge of stock

market portfolio investments. "The strength of capital inflows is a sign of long-term overseas confidence in the Philippine economy," Mr Dawi Guiniguado, central bank director,

"Foreign investors are looking beyond the high inflation rate towards the economy's medium-term prospects." A planned reduction in the bank's reserve requirement, now at 15 per cent, would be delayed until inflation fell back to single digits, offi-

# HK exchange assails financial watchdog

By Louise Lucas In Hong Kong

The Hong Kong Stock Exchange yesterday criticised the Securities and Futures Commission (SFC), the colony's financial watchdog, accusing it of overstepping its role.

The row broke out over the SFC's wide-ranging corporate plan, launched on Monday. Dr Edgar Cheng, stock exchange chairman, said he had neither been consulted on the proposals, the bulk of which affect future development of the exchange. nor had any exchange officials given it their endorsement.

Relations between the stock exchange and the SFC, set up in May 1989, have often been tetchy. Even before the SFC was established, the exchange dug in its heels over financing and the scope of the new watchdog, which it said would duplicate its own developing role.

Recently, dissatisfaction against the SFC has been growing louder within

the industry itself. Many believe the SFC is overfunded and can thus afford the luxury of investigating an ever broader area of issues.

Others worry that its powers, for example to study client documents, could trigger an exodus of private banks after June 1997, when China resumes sovereignty and wealthy individuals may prefer not to run the risk of their financial details being seen by Beijing.

Yesterday's comments by Dr Cheng are among the strongest yet from the exchange: "I am very surprised the SFC presents itself as the market development initiator, with the exchanges and market intermediaries as doers. Such centralised planning philosophy is discredited in most jurisdictions."

He reiterated concerns on the duplication of efforts, noting the significant increase in costs to be borne by all market participants, including listed companies and investors.

### LEGAL NOTICES

in the High Court of Justice

About Division
Companies Court
IN THE MATTER OF AUTOMACIC LIMITED LONDON YALETING LIMITED QUEENSBOROUGH HOLDINGS PLA.

AND

IN THE MATTER OF THE

COMPANIES ALT 1985.

NOTICE IS VISCHEY COVEN that the Order of
the High Court of Justice (Chameny Division)
dated 31st Justice) 1996 confirming the reduction
of the capital of the above-named Coupany from
L15.019.224.40 to E9.080.984.80 and the Migne
approved by the Court aboving with respect to
the respiral of the Adopting with division of
the respiral of the Coupany as altered the several
particulars required by the showe-mentioned Act NORMAND-SWEET LIMITED NORMAND-SWEIT LUMITED
CALORIE COUNTERS LIMITED
EXTENDITE LUMITED
EXTENDITE LUMITED

NOTICE & retige to develope of ordine of the store comparison from 19th at the retige of continue of the store comparison from 19th at 10.3 feet, luminos forms, leaders from 19th at 10.3 feet, 2.15pe, 2.05pe, 17th yr 18 feet, 19th yr 19th at 10.3 feet, 19th yr 19th yr 19th at 10.3 feet, 19th yr 1 the 1st day of February 1976.
Detect this fith day of February 1976
HERBERT SAITH and A.O.Com. David the 29th day of January 1994. M. & STROM Charles Exchange House Pringrate Street London ECZA 2HS

To Advertise Your Legal Notices

Please contact Tina McGorman on Tel: +44 0171 873 4842 Fax: +44 9171 873 3064

 Real-time quotes → Forex data Over 90,000 issues - News headlines U.S. & int'l data → As low as \$9/day! For more information on Signal, call

O Afril year of Brief, Market St. Sales Bry grafe services

KNIGHT-RIDDER'S FUTURES MARKET DATAKIT FROM \$570

aller: Mr. Stonder Valid, 78 Fleet Strand, Lorson FLAY 1HY, Tel: 444 (D) 171 842 4063



What price a badly planned business trip?

Only by investing time and energy planning the itinerary, keeping up with special offers and making sure you get the best value for money can you guarantee a cost effective business trip. To discover all you need to know about

business travel and how to source business travel services anywhere in the world, your only destination is Business Travel 96. For further details and complimentary tickets, call

0181 710 2185

or simply bring this ad with you for free entry

Travel 96, The Business Design Centre, Upper Street, fallegton, London NI

### **BP Oil Europe**

### **European Retail Filling Station Construction Programme**

BP Oil wishes to establish a list of suppliers qualified to undertake the provision of building new petrol stations on a pan-European basis, with future potential for implementing a site modification service to existing retail sites. Services shall include all project management and civil engineering skills required to build now retail sites from

Sites shall be completed to standard BP format but detail design drawings, layouts, building permus and compliance with specific country and EEC laws relating to labour provision and building regulations shall be included in the service. The ability to plan work effectively and liaise with main equipment suppliers, provide local sub-contractors and bring professional but effective project management skills to the delivery of this service.

in order to align contractor remuneration with BP's business objectives, BP's approach will be to work within a risk reward framework rather than traditional tendered contracts, the intent being to provide best value while reducing overall cost to the mutual benefit of both companies.

Ability to implement such works safely and with concern for any adverse impact on the environment. Ability to abide by regional building and permuting regulations and regional labour laws within all EEC and Central European countries. Contractors will also be required to show evidence of the existence and implementation of established health, safety, environmental and quality management systems. It should be noted that qualified suppliers will be selected exclusively from those contractors who have requested a questionnaire by 12th February, 1996 and who have subsequently qualified according to the requirements of this Qualification System relating to the tendering exercise.

holes concerning the Qualification System may be obtained by applying in writing to the following. Denny Fierens – BP Oil Europe Retail, Tein House, 105 Rue Neerveidstram, B-1200. Bruxelles, Belgium. Tel: 00 322 774 3161, Fay: 00 322 774 3231. Awarding authority, BP Belgium in ke, Naturae weg. 1-B-2730. Zwiindrecht, Belgium

November 1995	December 1995	November 1995	October 1995
ABN Amro Bank NV	B.A.T. International Finance plc	Commerzbank	Gambro AB
SFr 200 million, Bonds 1996-2002	£200 million, Sterling Bond due 2005	Global Offering of 2,760,000 Ordinary Bearer Shares at DEM 320 each	Acquisition of REN Corporation-USA
Joint-Lead Manager Union Bank of Switzerland	Joint-Lead Manager UBS Limited	Co-Lead Manager Union Bank of Switzerland	Financial Adviser UBS Securities Inc.
December 1995	March 1995	July 1995	March 1995
ACCOR S.A.	The British Land Company PLC	Compagnie UAP	Glavo Holdings plc
FF 5 billion, Revol <del>v</del> ing Credit Facility	Placing and Open Offer of 61,333,691 Ordinary Shares at 352p each	FF 4 billion, Revolving Credit Facility	£8.1 billion, 3 year M&A Funding for Takeover of Wellcome plc
Joint Arranger Union Bank of Switzerland	Joint-Lead Manager UBS Limited	Joint Arranger Union Bank of Switzerland	Co-Lead Manager Union Bank of Switzerland
November 1995	November 1995	October 1995	May 1995
adidas	The British Land Company PLC	Continental	Glaxo Wellcome plc
Global Offering of 31,395,000 Ordinary Shares at DEM 68 each	Placing and Open Offer of 61,567,719 Ordinary Shares at 370p each	DEM 200 million, Securitisation of Trade Receivables	£500 million, 10 year Eurobond
Lead Financial Adviser and Joint Global Co-ordinator Union Bank of Switzerland	Joint-Lead Manager UBS Limited	Sole Arranger Union Bank of Switzerland	Joint-Lead Manager UBS Limited
November 1995	July 1995	September 1995	May 1995
Aeroporti di Roma	Cedel Bank S.A.	De Nationale Investeringsbank NV	Glaxo Wellcome plc
Acquisition of Majority Stake by Cofiri & Partners B.V.	US\$1 billion, Revolving Credit Facility	SFr 150 million, Bonds 1995-1998	US\$500 million, 5 year Eurobond
Member of Investor Consortium UBS Capital B.V.	Joint Arranger Union Bank of Switzerland	Book Runner Union Bank of Switzerland	Co-Lead Manager UBS Limited
June 1995	November 1995	June 1995	October 1995
AEW	City of Salzburg	DePfa-Bank	Hanson
SFr 50 million, Straight Bond 1995-2005	Sale of 70% interest in Salzburger Sparkasse Bank AG ATS 1.911 billion	DEM 1 billion, 3 year Bond Issue	US\$750 million, 10 year Yankee
Lead Manager Union Bank of Switzerland	Sole Financial Adviser Union Bank of Switzerland	Joint-Lead Manager and Joint Book Runner Union Bank of Switzerland	Co-Manager UBS Securities Inc.
October 1995	February 1995	September 1995	April 1995
Allegemeine Hypotheken Bank	City of Villach	Eastern Group	Holdereim
DEM 1 billion, Bearer Bonds (Öffentliche Pfandbriefe) of 1995-2002	Sale of 32% interest in KELAG for ATS 1.85 billion	£2.5 billion, Acquisition by Hanson	FF 4.2 billion, Revolving Credit Facility
Joint-Lead Manager and Joint Book Runner Union Bank of Switzerland	Sole Financial Adviser Union Bank of Switzerland	Joint Broker UBS Limited	Senior Lead Manager Union Bank of Switzerland
October 1995	June 1995	June 1995	February 1995
ASFINAG	Clariant	Electricité de France	Kässbohrer Geländefahrzeug GmbH ("Pisten-Bully")
SFr 300 million, Bonds 1995-2003	Global Offering of 4 million Registered Shares at SFr 385 each	US\$520 million, Revolving Credit Facility	Acquisition Finance of the Snow Grooming Division of Karl Kässbohrer Fahrzeugwerke GmbH
Lead Manager Union Bank of Switzerland	Joint Global Co-ordinator Union Bank of Switzerland	Joint Arranger Union Bank of Switzerland	Joint Arranger Union Bank of Switzerland
July 1995	September 1995	May 1995	October 1995
Banco Itaù	Clariant	France Telecom Cogecom	KLM Royal Dutch Airlines
US\$560 million, Purchase of Banco Francês e Brasileiro	SFr 150 million, Straight Bond Issue 1995-2000	FF 1.5 billion, Revolving Credit Facility	US\$700 million, Revolving Credit Facility
Adviser	Lead Manager	Sole Arranger	Y-1

Adviser

Union Bank of Switzerland

Lead Manager

Union Bank of Switzerland

Sole Arranger

Union Bank of Switzerland

# When Europea you're in safe l

April 1995

Kuoni -

Buy-back of 81,000 Shares from Kaufhof and Subsequent Secondary Placement in Total Value of

SFr 150 million

Adviser Union Bank of Switzerland August 1995

G

Ord

Join

Union

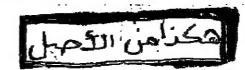
Libir Gold Limited

US\$300 million, 10 year Project Financing Facility

Global Co-ordinator and Facility Agent Union Bank of Switzerland



The scope of these transactions emphasises the financial streng Whatever the transaction, UBS has the reputation and placing I Market knowledge and timing, combined with demonstrable



Joint Arranger Union Bank of Switzerland

Thursday February 8 1996



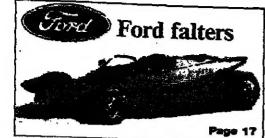
# IN BRIEF

chal Offeriated
44,999,999
Merck ver Sk

Merck KGM t DEW 24 GA

Bank of Switze

an o



### **D-Mark strength** cuts Schering

Schering, the German pharmaceuticals company. suffered a 13 per cent fall in preliminary net profits to DM249m (\$169.2m) last year after being hit by currency fluctuations, particularly the strength of the D-Mark against the dollar, and growing compe-tition in sectors it once dominated. Page 14

Senior Morgan Stanley executive quits



Mr Stephen Waters (left), a senior banker at Morgan Stanley, has resigned from the US investment bank only a month after returning to the US from a four-year posting to London. He had come back to a senior post in the mergers and acquisitions area, but was also due to maintain a number of cilent relationships in Europe.

Morgan Stanley declined to comment, but an internal memo said he had resigned to pursue other interests. Page 17

Europe's truckmakers see tougher 1996 Europe's leading truckmakers are braced for tougher conditions over the next 12 months after recording one of their best years in 1995. The risk was highest in Germany, Europe's biggest truck market, said Mr Jean Pierre Lefebvre, head of European commercial operations at Iveco. Page 14

San Miguel shows alugalsh growth San Miguel, the Philippines' largest brewery and consumer food products group, blamed disappointing profit growth of 9 per cent in 1996 to 5.38bn pesos (\$205m) on sharply higher raw material costs. Page 16

**Bidders line up for Clerical Medical** Six financial services companies are thought to have made formal offers for Clerical Medical, the UK mutual life assurer, following its decision to invite bids from potential purchasers. Page 16

UK pursues fight against 'filegal' beef ban Mr Douglas Hogg, agriculture minister, said that action by three German Länder to ban British beef imports was "Illegal". He had taken up the issue with the Garman government and the European Commission and hoped the Commission would take action this week. Page 19

### Companies in this issue

MIGI	-	CICICSEL.	
Astna	17	Irish Steel	
Algoria		Kirch Group	,
Arab Banking Corp	16	Licyds Chemists	
Australia Media	16	Liptottics	
BES	14	Montedison	
BHP	4	NEC	14
BT	13, 12	Nissan	
Bank Hoposilm	- 4	Northrop Grummen	
Banpu Coal	4	Ocean Techni Glass	
Barclays Bank		Packard Bell	14, 1,
Bertelsmann	. 2	Pohang Iron & Steel	
Black & Vestch	4	Quebec Iron	
Boeing	3,8	RWE .	
Bra-X Minerals		Renault	
British Airways	8	Rhône-Poulanc	
Bull		Rolls-Royce	
Burnine	16	SKF	
Bushmilis	8	Samsung Aerospace	
CS First Boston	17	San Miguel	
Cagemas		Schering	
Casinos Austria Inti	16		
Coca-Cola Amatii	16	Teimes	
Deutsche MG	17	Texaco	
Eurotunnel		Thai Oil	
Farmie Mas		Thomson-CSF	
Ferfin		Tredeborg	
Ford		Tri Energy	
Foxtel	16	Trygg-Hense	
GPA	12	Union Carbide	
Gehe	1, 12	Unocal	
Gemina		Viag	
Groupe Buil	1	Volvo	

Market Statistics

Grupo Domos

I scrength of URS)

afacing powered

nserable placinel

- WHERST ISPUTZ SOLARS	
Benchmark Govt bonds	
Bond futures and options	
Bond prices and yields	
Commodities prices	
Dividends announced, UK	
EMS currency rates	
Europond prices	
Flored interest indices	
FT/S&P-A World Indices	
FT Gold Mines Index	

FT-SE Actuaries indices GHz trices Menaged hinds senice Money markets New Intl bond lesues New York share service Recent issues, UK Short-term int rates LIS Interest rates

PANKFURT	(DMC)			123.7		5.7
Rives			Legarderi	348.9	Į	13.9
Altred	948 +		Selimon	348.9	•	130
BASE	380,8 ↔		<b>Falls</b>			
Handai	454.75 +		BMP .	196.7	-	7.3
Luffinarisa	225 +	. 6	Canal Page.	953	-	47
SAP AS	222.5 +	8	Cred Lyon Ci	220.5	-	5.3
Falls.			TOXYO (Yes)			
Karstadt .	551.5 -	11.5	Rises			
HEW YORK	3)		Nigste Eng	398	4	23
Place			Mani Sango	1910	÷	170
Manpower Inc	20942 +			5190	÷	300
Texas Pac	30% +		Seine Pathery	589	÷	40
Three Five Spi	19% 4	. 14:	Status Elec With	730		65
Falls		256	Tokyu Car	130	•	20
ANX Corp	24% -	25	Falls			-
int inth Sec	224 -		Mitthin Pleasics	664	-	29
Visitery lift	25%	472	HORG KORG	pacts		
LONGON (Pe	ace)		Misse			
Allega		15	Focusier 843	3.4	•	0.15
Front Group	135 +		Golden Harvest	25	•	0.2
General Control	25 +		Cooding the	2 17		
United Cast	310 +	20	CONTRACT NA			0.2
Falls.		19	-	3.75	-	0.5
Dagrormech.	304 -		Seagurer int.			0.2
Legacian & Bur	177 -	11	YEM Trading	5.25	7	4,2
Provideg	102 -	••	<b>Falls</b>			0.55
TORONTO (C	<b>39</b>		First Pac	16.2	-	шаэ
Trises		114	BANCKOK (B	eletj		
Fabresiock	13% +	136	Alses			
Sudbury Cholac	18% +	134	Chargong Thai	69.5	•	5.5
Terra inds	18% +	172	Crown Seal	64	٠	5.5
Videotran	12% +	474	Heat That Mart	82	+	7
Talls	4.84	1%		25.25		2,25
ATT Adv Info	14% - 7% -	196	Partnerny Inc	122	1	9
Layrec Tech	/W -	674	Volted Motor		-	
PARIS (FFr)			Falls			5
Rises		24	Thai Asphi Giss	<b>\$2.5</b>	•	

OTHE FINANCIAL TIMES LIMITED 1996

# Eurotunnel bankers split over refinancing

By Gootf Dyer and William Lewis In London

Bankers owed £8bn (\$12bn) by Eurotunnel are split over whether to take a hard line in negotiations over the Channel tunnel operator's crucial refi-

The disagreement means Eurotunnel is likely to tell its shareholders soon that any resolution of its financial crisis is still a long way off.

Negotiators told the Financial Times that a hardline group of banks - the "hawks" - was insisting that it should

principal and interest, together with panalties for late payment. A more mod-erate group of banks - the "doves" had accepted the need to take some of the pain and was prepared to negotiate with the company about the level of

debt or interest forgiveness. Eurotunnel has been in talks with its 225 banks about a refinancing since it suspended interest payments on 18bn of debt in September

The company had suggested schemes to its bankers which would reduce its debts to such a level that it could meet

its interest payments on a daily basis in Conversion of interest payments into of interest lasts for 18 months, it can be about 10 years' time, negotiators said. about 10 years' time, negotiators said. Interest on debts of £8bn, which the company is not currently paying, is accumulating at £1,8m each day,

The proposed solution, termed the "self-stabilising" programme, involves the company using its cash flow over the next 10 years to pay down the debt rather than the interest due on it.

The unpaid interest would be dealt

with through a number of possible meth-

· Write-down by the banks of interest

• The issue of equity-type instruments, including a possible share issue.

However, several hawks among the leading banks are said to be holding out against agreeing to such a plan. "The closer people are to the negotiations the more they want to push the company to the limit," said one participant in the

negotiations. ideas about a restructuring are inappropriate to the situation."

abandoned after March 14, if 65 per cent of the banks vote to do so. However, negotiators say there is little prospect of the banks deciding to do so at this stage.

The bulk of the negotiations have been with the six banks in the so-called steering group - National Westminster. Midland, Credit Lyonnais, Banque Nationale de Paris, the European Investment Bank and the European Coal and One banker said: "The company's Steel Community. Below this level is a group of a further 19 banks – known as riate to the situation." the instructing banks – which has been in regular contact with the company.

# BT plans large German

Paul Taylor in London

investment

British Telecommunications and RWE and Viag, two of Germany's largest industrial groups, plan to spend DM3bn-DM4bn (\$2bn-\$2.7bn)building a German telephone network over the next four or five years, the three partners said yesterday.

The investment, which is expected to be mainly in infra-structure and will be divided broadly equally between the three groups, was disclosed yes-terday as the companies con-firmed plans to create a third consortium vying for position in the German telecoms market, Europe's biggest.

The three groups signed a letter of intent to work on the provision of the full range of telecoms services to corporate and residential clients.

The three believe the consortium can win 10-15 per cent of the German fixed telecoms market over the next 10 years, and will also apply for Germany's fourth cellular licence.

The detailed structure of the alliance will be worked out over the next few months. It signals a further consolidation of the market ahead of the introduction of full competition in January 1998. consortium will compete with Deutsche Telekom, the incumbent state-owned monopoly, and a second alliance of com-

panies which includes Veba and Mannesmann of Germany, AT&T of the US and Cable and Wireless of the UK. BT and Viag first formed a joint venture, called Viag Inter-Kom, more than a year ago, and said then that they would be looking for other German part-

Commenting on yesterday's agreement, Sir Peter Bonfield, BT's chief executive, said: "This builds on our partnership with Viag and our current operation, Viag InterKom, forming a key element of our international strategy to enable BT to bring its

strength as a global operator to the whole German market." It means France is the only big European market where BT does not have a joint venture partner. BT yesterday complained there was great uncertainty about French telecoms liberalisation. "The French authorities are not pursuing matters with the vigour adopted by the German authori-

Under the agreement, RWE and Viag will merge their telecoms resources. Mr Dieter Kuhnt, chairman of RWE, the country's largest utility group, said RWE expected to be responsible for the residential customer unit and the infrastructure unit. Viag/BT would take responsibility for the business customer unit. The network operation and switching company would be managed by all three, with BT setting technical standards.

The German telecommunica tions market is worth about DMB0bn and is expected to grow by 10 per cent a year to DM100bn-DM110bn by the end of the

# SKF faces stall in demand after record year

By Christopher Brown-Humes in Stockholm

SKF of Sweden, the world's leading manufacturer of rolling bearings, said yesterday it was facing uncertainty in its main markets and customer segments in 1996, and demand was likely to stall at last year's levels.

The company - often seen as a gauge of the world economy because of its global reach and exposure to many different industrial sectors - made its comments as it reported an 83 per cent jump in profits from

Mr Peter Augustsson, managmr Peter Augustsom, manag-ing director, said the main uncertainties were the direction of the German economy and the outlook in the US. "Major uncer-tainty prevails among the world's automakers," he added. The automotive industry is

particularly important to SRF as its largest customer segment. The company pointed to a clear downturn in the US truck market and said European car and truckmakers were hardly buoyant about their prospects.

However, it noted that even if demand weakened, it hoped to take market share which would lead to unchanged volumes overall. It also expected continued growth in the investment sector. The company is more down-beat than it was a few months ago, partly because demand eased as 1995 progressed and the

Instead of achieving 10 per cent volumes growth over the full year - as forecast in November - growth was 8 per cent because of lower demand in the

fourth quarter was worse than

final weeks of the year. This meant full-year profits were about SKr200m less than analysts expected, pushing the group's B share price down SKr4 to SKr132. However, the 1995 figures were still a company record and came after a 10 per cent rise in turnover to SKr38.7bm.

Fourth-quarter profits were SKr748m, against SKr676m in 1994. The group attributed the unexpectedly weak figures on destocking which had hit demand in both its automotive and after-market segments.

1996 figures to be similar to last year's, although they caution that the weakening European economy, where SKF has most of its sales, increases the risk of SKF falling short of the tar-

Mr Staffan Ostlin, engineering and automotive analyst at Enskilda Securities in Stockholm, said SKF would be hit by the stronger krona, but the impact should be mitigated by higher prices, increased market share and productivity increases. nd after-market segments.

Analysts expect the group's from SKr4.25 to SKr5.25.

### Mills are being forced to trim output after stocks ballooned and prices had to be cut

# Pressing down on the pulp matter

r Roger Wright, a UK paper industry consultant, has a vivid metaphor for the world's wood pulp producers: "They're too old for bungee jumping," he says, "so the pulp market is the nearest

experience they can get." No image better captures the recent performance of pulp, the main raw material in paper except that, unlike bungee j ers, pulp producers cannot rely on a rubber cord to save them as they plunge to earth. The scramble to limit the dam-

age was apparent this week as mills in Scandinavia, North America and Brazil slashed list prices by 15-20 per cent, bringing them close to the level at which business was being done in the spot market. Northern bleached softwood kraft (NBSK), the industry's benchmark product, now sells for about US\$725 a tonne, or 27 per cent lower than the record price of \$1,000 which producers tried unsuccessfully to impose on the market last October.

One mill after another plans to trim output over the next few months. According to Pulp and Paper Week, a publication, Canadian mills have announced tem-porary closures equal to 137,000 connes so far this year, or about 1.7 per cent of annual market pulp shipments. (Market pulp is the pulp not used by a mill's own paper machines.)
"In the next few months, we're

going to see unprecedented cuts in production," says Mr Wright, The shutdowns reinforce pulp's reputation as one of the most volatile commodities. At the end of 1993, NBSK prices were below \$400 a tonne. No one predicted that they would more than dou-

ble over the next 18 months. The structure of the pulp market is a recipe for sharp price movements. It is a global busiess, with about four-fifths of all market pulp exported from the country where it is produced. No single producer has more than a per cent market share.

Most mills' production costs are still well covered by these lower pulp prices. With the exception of Finnish producers, mills usually respond to sagging demand by fighting for market

share rather than trimming

from pulp producers' tardiness in responding to last summer's sudden reversal in paper markets. Demand for some grades of paper has softened, especially in Asia. Some producers blame a price war between Indonesian pulp mills and Georgia-Pacific, the big US forest products company, for triggering the precipitous drop in prices. Inventories ballooned: by 50 per cent in the final three

months of last year to 3.1m tonnes at the end of December. Producers compounded their problems by bringing new capacity on stream. Supplies grew 4.8 per cent in the year to November, with much of the increase coming from new producers, espe-

Mr Wright, who believes that

scale paper imports. UPM-Kymmene of Finland.

ing off their inventories.

# Not yet out of the woods Other west Europe Others

The latest meltdown stems worldwide pulp stocks exploded

cially in Indonesia.

prices may be heading back owards \$400 a tonne, says that even if demand does bounce back, there's enough supply".

Others predict that the market

is close to bottoming out. Their case rests on a combination of production cuts and an improve ment in the paper market. One Vancouver-based trader expects that the recent hefty drop in paper prices will stimulate consumption. He adds that China has reportedly resumed large

Europe's largest pulp and paper group, is also upbeat. It expects production rates to be back to normal after March. The company, which only operated at 70 per cent of its fine paper capacity in the final months of last year, says paper merchants are work-Most analysts take a gloomier

view, saying slower economic growth in Europe and uncerisinty over the cutlook for the US economy means destocking could continue into the second and third quarters. The expectation of even lower prices also means that buyers are reluctant to step forward.

For now the priority is damage control. Mr George Landegger, chairman of Parsons and Whittemore, a big North American producer, told the Canadian Pulp and Paper Association's annual meeting last week that pulp mills would have to cut production immediately to 78 per cent of capacity - equal to a three-week across the board shutdown - to achieve market equilibrium by March 31. To bring supply into line with demand by mid-year, the mills could ease to an 85 per

cent operating rate.

Most Nordic producers and

hardwood pulp mills in Spain and Portugal are now running at or below those rates. But mills in the US and Canada, which make up more than half of world output, are still operating in the upper 80s. Bungee-jumping may be their sport of choice.

> Bernard Simon and Christopher **Brown-Humes**

# MONTAGU PRIVATE

is pleased to announce its change of name

Montagu Private Equity is pleased to announce its new name, a name which reflects its position as the European private equity arm of the HSBC Group, one of the largest banking and financial services organisations in the world.



HSBC Private Equity Europe Limited 10 Lower Thames Street, London EC3R 6AE Tel: 0171-260 9911 Fax: 0171-220 7265 RECULATED BY DARO

# 'Softer' Sears bucks retail blues

By Richard Tomkins in New York

Sears Roebuck, the biggest US department store group, yesterday defied the gloom afflicting the US retailers by reporting a 27.6 per cent jump in underlying net profits to \$455m in the fourth

quarter to December. Mr Arthur Martinez, chairman and chief executive since last August, said the performance was "outstanding, especially considering the tough retail climate during the holidays".

Most US retailers have just had one of their worst Christmas seasons in recent memory. Sears, however, is reaping the

benefits of a transformation

engineered by Mr Martinez. He has remodelled the company's department stores and changed the emphasis from hardware to "soft lines" such as clothing, cosmetics and jewellery.

Mr Martinez has also been wooing customers with an advertising campaign that urges them to come and see "the softer side

In the latest quarter, revenues from continuing operations - excluding the Alistate Insurance subsidiary, sold in June, and Homari Development, sold in December - rose 6.5 per cent to \$10,85bn. Earnings per share rose from 90 cents to \$1.13. Mr Martinez said strong sales

of soft line goods had helped lift revenues, but sales of "hard line" goods such as home electronics, appliances and exercise equipment were also "excellent". One disappointment was the

performance of operations in Canada and Mexico. Net losses of \$7m for the quarter compared with \$6m profits a year earlier. However domestic net income

jumped 29 per cent to \$462m, driven by an increase of 5.8 per cent in revenues from stores that had been open a year or more. For the full year, net income from continuing operations rose 19.6 per cent to \$1.03bm, or \$2.53 per share, on revenues up 5.8 per

### INTERNATIONAL COMPANIES AND FINANCE

#### EUROPEAN NEWS DIGEST

# Financial operations help put BES ahead

A sharp increase in earnings from financial operations helped Banco Espirito Santo, Portugal's fourth largest financial group, lift net consolidated profit for 1995 by 12.7 per cent to Es19.5bn (\$127.5m) from Es17.3bn in 1994. The bank said income from financial operations rose to Es7.3bn from Es2bn in 1994. Fee-based income, another area of strong growth for BES, rose 15.8 per cent. These two areas together accounted for 26.5 per cent of the group's total earnings, compared with 18.4 per cent in 1994.

Mr Ricardo Espírito Santo, BES president, said strength in these areas helped offset a fall in the bank's financial margin, the difference in the rates at which banks raise and lend funds, to 2.9 per cent from 3.7 per cent in 1994. Total assets grew 34.2 per cent to Es2,927bn; total lending rose 40.2 per cent

These increases reflected the consolidation of Banco Internacional de Crédito into the group's accounts for the first time. Non-consolidated profit for BES, the group's principal bank, rose 5.1 per cent to Es18.5hn on lending growth of 14.6 per cent to Es953.8bn. Mortgage loans, which climbed 51 per cent, showed the strongest growth. BES, which has opted for organic growth rather than participation in the recent series of acquisitions which are reshaping Portuguese banking, opened 73 new bank branches in 1995. This lifted its network by 22 per cent to 405 outlets.

#### One-off gains boost Trelleborg

Trelleborg, the Swedish mining and metals group, said higher metal prices and capital gains enabled it to achieve strong profits growth in 1995. It lifted its preliminary pre-tax result from SKr904m to SKr3.51bn (3444.2m). The result included SKr1.96bn of one-off gains. These reflected a SKr3bn capital gain from the sale of the group's 28 per cent stake in Canada's Falconbridge mining concern, partially offset by SKr1.1bn of one-off charges for redeemed property leases and a write-down of mining assets. Trelleborg said sales rose from SKr19.1bn to SKr21.3bn - up 15 per cent after allowing for disposals. It promised a more detailed overview of its performance on Christopher Brown-Humes, Stockholm

#### Thomson-CSF in German buy

Thomson-CSF, the French specialist electronics company, has agreed to buy Software Union, a German-based software company, in a move aimed at sectoral and geographic diversification. Aachener und Münchener, the German insurer, sold Software Union to Syseca, a subsidiary of

The deal will increase the French electronic group's civilian business east of the Rhine. Until now, Thomson's main ventures in Germany have been in the military field with Daimler-Benz Aerospace. But because of pressure on European defence budgets, the French company, which has already raised the civil share of its business from 20 per cent to 35 per cent over the past six years, is seeking diversification.

The acquisition of Software Union, with average turnover of FFr255m (\$44.5m) a year, plugs a geographical hole in the activities of Syseca, which has annual sales of more than FFr2bn and subsidiaries throughout Europe, the US, Mexico David Buchan, Paris

#### Luxottica lifts income

Luxottica, the Italian spectacles maker which last year acquired LensCrafters, the biggest US retailer in the sector, yesterday said net income rose 29.4 per cent in 1995 to L161.7bn (\$103m). Net sales increased from L812.7bn to L1,849bn. Without the LensCrafters contribution, sales rose 22.4 per cent to L994.7bn. Luxottics, whose shares are listed on the New York Stock Exchange, acquired LensCrafters through the takeover of US Shoe and disposed of the footwear interests. In the second quarter, Luxottica also acquired Persol, the Piedmont sun glasses group. The group's operating income rose 29.4 per cent to L297bn, accounting for 16.1 per cent as a percentage of sales.

### Czech oil stake sale finalised

The acquisition of a 49 per cent stake in Czech Refineries by three international oil groups has been completed, ending four years of negotiations and signalling the start of a restructuring of the Czech oil and petrochemical industry Royal Dutch/Shell, Conoco of the US and Agip of Italy said they had each acquired a 16.33 per cent stake in Czech Refineries, paying "the agreed cash contribution". The consortium is to pay a total of \$173m for the stake. Unipetrol, a new, state-controlled holding company, owns 51 per cent. Three representatives of the consortium were appointed to the board of Czech Refineries. Vincent Boland, Prague

■ Compagnie Luxembourgeoise de Télédiffusion, has signed an agreement in principle on a partnership with News Corp chairman Mr Rupert Murdoch, a source close to CLT said. "An agreement in principle on the marketing and distribution of digital channels with the Murdoch group has been achieved, but it was not finalised at the board meeting of CLT on Monday," the source said. AFX News, Amsterdam

# Schering results dragged down by strong D-Mark

Schering, the German pharmaceuticals company, suffered a 13 per cent fall in preliminary net profits last year after being hit by currency fluctuations and growing competition in sectors once dominated by the

Net profits fell from DM285m in 1994 to DM249m (\$169.2m) last year, while sales declined from DM4.69bn to DM4.64bn. Schering said sales volumes had risen 8 per cent, but exchange rate fluctuations notably the strength of the D-Mark against the weak US dollar during the first half of 1995 - had dragged down over-

man currency.
"The outlook for 1996 is mixed," an analyst said. "It might have a 4 per cent growth in real earnings if currencies

rain stable."

Exports, accounting for 85 per cent of total sales, fell 1 per cent from DM3.99bn DM3.97bn, while domestic sales dropped from DM699m to DM677m. With the exception of therapeutics, sales volume declined across Schering's three other divisions, which include diagnostics, fertility control and hormone therapy. and dermatology.

Sales in therapeutics rose from DM1.10bn to DM1.18bn.

sales of Betaferon, Schering's multiple sclerosis drug. The drug, which is available in the US where sales last year amounted to DM400m, will be distributed later this year in

Mr Guiseppe Vita, chairman, said recently that Betaferon sales could reach DM650m worldwide this year. However, this forecast was revised downwards yesterday. The company now expects sales of DM600m, although even this estimate has prompted considerable scepticism among analysts.

Ms Jo Walton, pharmaceuticals analyst at Lehman Brothers, said Schering would soon face competition from

Blogen and Teva, the US and

Share price relative to the DAX Index 115 110 -

Israeli drug companies. Avonex, Biogen's multiple sclerosis drug, is expected to obtain

1995

approval from the US Federal Drugs Authority later this year, while Teva's Copaxone will be granted approval for distribution in Europe from the European Medical Agency. Schering had the lead in the US for multiple sclerosis treat-ment. But it might not hold it for much longer there, nor in Europe. It will have to do more marketing if it wants to capi-talise on its six-month lead in Europe and convince neurolo-

Walton. Other analysts said Schering would face difficulties in selling the drug because of the

gists to take the drug," said Ms

expense.
Schering is facing growing competition in the diagnostics

division, where it once enjoyed a near-monopoly. Sales fell 5 per cept, from DM1.67bn to DM1.58bn. Some of the decline was blamed on the withdrawal from the market of Isovist 290, a contrast media drug used for X-rays, because of possible delayed reactions. But analysts believe the main reason is that Schering is facing increasing competition in a stagnant market.

Sales in the fertility control and hormone therapy division fell from DM1.44bn to DM1.41bn. This decline was mainly blamed on currency fluctuations and the controversy surrounding the alleged side affects of third-generation oral contraceptives.

# Europe's truckmakers see tougher conditions

By Haig Simonian and Hugh Carnegy in Amsterdam

Europe's leading truckmakers are braced for tougher condi-tions over the next 12 months after recording one of their best years in 1995.

However, they have warned hauliers against excessive pessimism about political and economic developments in Europe, which could trigger a backlash of falling orders and lower production.

The risk was highest in Germany, Europe's biggest truck market, said Mr Jean Pierre Lefebvre, head of European commercial operations at Iveco. Europe's second higgest truckmaker.

Speaking at the Amsterdam truck show, he said: "The economic trends are not so bad, but the pessimism is

In spite of their caution about this year, most European truck makers should be reporting bumper earnings for 1995. arm of France's Renault group, said truck and bus sales soared by 19.5 per cent to almost 75.800 units last year. Sales jumped by 29 per cent to 45,700 units at the group's Europeanbased operations, while Mack Trucks in the US raised its sales by 7.4 per cent to 30,070

Mr Pierre Colmant, RVI commercial director, declined to give a profits forecast. However, analysts expect a strong performance by RVI to help the group report higher combined profits for 1995. Volvo Trucks had its "most

successful year ever" in 1995. according to Mr Tommy Rengman, executive vice-president. Sales rose by 12 per cent to 76,500 units, with European deliveries rising by 25 per cent to 35,200 units while North American sales increased by 2



Volvo Trucks expects to continue to do well through innovations

per cent to 27,000 units. Scania, the rival Swedish heavy truckmaker, also indicated it had enjoyed a buoyant 1995. Mr Leif Ostling, chief executive, said its market

New money broadens Packard Bell horizons

share had climbed by 1.5 percentage points to 14.3 per

He declined to indicate the timing of Scania's widely-

parent company.

Renault warned that market conditions this year remained unclear. "The markets have been at a standstill since the beginning of the year, but should start growing again during the second half", said

all questions to investor, the

Volvo expected 1996 to be "tougher than 1995". However, Mr Rengman said it expected to continue performing well because of innovations such as a lighter, 7.5-tonne truck range

and a novel 6-litre engine. All the main manufacturers have been trying to cushion themselves from the industry's notorious cycles by expanding internationally. Renault said it was in advanced talks to build trucks in Mexico, Brazil and India, and planned an enginemaking joint venture in China. Mr Rengman said signals from Volvo's negotiations in China and India were "very positive".

## Proposal to merge Ferfin and Gemina resurrected

The so-called SuperGemina merger, which would have cre-Italy's largest private-sector group after Fiat had it not collapsed last autum, may soon be back on the agenda.

The deal was intended to combine Ferrazzi Finanziaria (Ferfin), the holding group which owns 30 per cent of Montedison, and Gemina, an investment company controlled by Fiat. Mediobanca. the Milan merchant bank, and the rest of the Italian business establishment.

The plan was aborted smid heavy losses at RCS, Gemina's publishing and media subsidiary, and judicial investigations into allegations that Gemina and RCS accounts were falsified

Speculation is growing in Italy, however, that the deal could soon return to the fore. In fact, it has never been scrapped and its promoters say the industrial logic behind it remains forceful. SuperGemina would provide

Ferfin and Montedison with a stable shareholder core, as well as cut debts at Ferfin, which totalled about L2,000bn (\$1.3hm) last autumn but have since been reduced by the group's L953bn rights issue. The merger would also allow

Figt to divest most of its chemical activities. Earlier this week shares in its chemicals Yesterday they closed L9.1 down at L631.9.

Opponents of SuperGemina among Ferfin shareholders may also calculate that a marriage with Gemina might take place on more favourable terms than previously. Late on Wednesday, prelimi-

nary figures were released for 1995 which showed that the improved performance of Ferfin and Montedison, which both returned to net profit in the first half, was continuing. Gross operating profit at Ferfin was up 17.7 per cent last year, against 1994, at L3,623bn. This represented 13.8 per cent of turnover, compared with 12.8 per cent the

previous year.
Gross operating profit at
Montedison, which has chemicals, energy and agribusiness interests, rose 16.4 per cent to L3.440bn.

Although an evaluation of losses at the Gemina subsidiary is understood to be well under way, any revival of SuperGemina is not expected before March 14. This is the closing date of Mediobanca's obligatory offer for 158m Ferfin shares which will take its stake to about 15 per

SuperGemina would ease the banks' departure from Ferfin's shareholder register, two years after they became reluc-tant investors as part of a debt restructuring plan.



Beny Alagem: investments

groups like Siemens, software houses or even audiovisual

The disappointment was a

drop in premium income from

SKr7.17bn to SKr6.6bn which it

blamed on its decision to cease

accepting reinsurance business

and to strong pressures on

rates in its commercial

and personal lines divi-

Mr Zaid Pedersen, Trygg senior vice-president, said:

"Our aim in 1996 is to increase

our volumes in both the

life and non-life insurance

market while holding costs

improved SKr285m in capital gains from

sions

Swedish property sales.

#### into a potentially lucrative seghas not identified the cusments of the PC market. tomer, industry analysts say it ZDS, best known for its por-

Investments from NEC and Bull will help growth and diversification

pany that has taken the US home computer market by storm, aims to become a global personal computer supplier to all segments of the market, following yesterday's announcement of new investments by its existing stake holders, NEC of Japan and Groupe Bull of France.

Dackard Bell, the com-

The company's aggressive pricing, low-cost manufacturing and fast product development have propelled it to the number four position in the world personal computer market in terms of unit shipments, market share behind Compaq Computer (10 per cent), IBM (8 per cent) and Apple Computer (7.8 per cent), according to Dataquest, the US market research group.

Like several other leading PC manufacturers, however, Packard Bell is believed to have been facing financial strains. Among the leading US PC manufacturers, IBM is only marginally profitable and Apple Computer recently reported a loss for the quarter ended in December.

As a privately-held company, Packard Bell does not reveal its financial results. However, Intel, the leading supplier of

microprocessor chips to the PC industry and a large supplier of PC circuit boards, recently converted \$470m in receivables from one of its biggest customers into a loan. Although Intel is Packard Bell.

The new investments by NEC and Groupe Bull will "certainly improve Packard Bell's balance sheet", said Mr Beny Alagem, Packard Bell's president and chief executive. "In 1995 Packard Bell's US revenues grew 45 per cent. Sales outside the US grew by 60 per built a very, very large manufacturing facility in Sacramento [California]," said Mr

Under the terms of the agreement announced yesterday. NEC will invest an additional \$283m in Packard Bell, Groupe Bull will transfer the assets of its Zenith Data Systems subsidtary to the US company. In return, NEC and Groupe Bull will receive redeemable nonvoting preferred stock. Neither NEC nor Groupe

Bull is expected to seek a controlling interest in Packard Bell. They both hold a 19.9 per cent stake. While the agreement with

NEC will provide Packard Bell with a cash infusion, the acquisition of Zenith Data Systems provides the US personal computer maker with an entrée

table "lap-top" PCs, also supplies desktop PCs and "servers", the computers used to power PC networks. Packard Bell will enter these segments and address the government, education and commercial market sectors in the US and Europe, Mr Alagem said.

of ZDS and Packard Bell create a company with annual revenues, based on 1995 figures, of \$5.5bn, making it one of the world's largest PC companies. Packard Bell claimed it would move into the top position in the US market, measured in unit sales, with a 13 per cent market share.

It will continue to use ADS's brand name and maintain its sales operations. The future of ZDS manufacturing operations is undecided. "We are still studying our options," said Mr

Groupe Bull expressed relief at the sale of its ZDS. The business had lifted sales from

the US insurer, Home Hold-

Home Holdings cost Trygg more than SKr3.5bn in losses

and write-downs in 1994, but

had no impact on the

company's 1995 figures because

year, but like a range of other PC manufacturers, including Italy's Olivetti, it was still in the red and not large enough to stand on its own. Fierce price competition, particularly in the consumer PC market, has forced many companies to cut prices and margins, while rapid technological advances mean manufacturers can easily end up holding obsolete stock. Reinforcement of its US-Japanese alliance in personal

\$900m in 1994 to \$1.2bn last

computers now leaves Groupe Bull, which has confirmed that it made a net profit of around rftsuum (559.3m) last vea free to step up its search for a European partner in its NEC. Motorola of the US and

the state-owned France Telecom each have 17 per cent of Bull. However, Bull stressed yesterday it was still looking for another partner, preferably European, to take over a similar stake from the French state. Under the computer group's progressive privatisation programme, the French government is due to reduce its direct stake in Bull from 36 per cent to below 20 per cent by autumn 1997.

Bull said it was ready to entertain offers from computer



"improve balance sheet"

companies in Europe.

Meanwhile in Tokyo, NEC said the additional investment in Packard Bell was aimed at strengthening its relationship with the US company. However, the move was also seen as a decision by NEC to provide financial assistance to the new company and, indirectly, to Bull.

David Buchan, Louise Kehoe, Michiyo Nakamoto and Paul Taylor

# REPUBLIC OF GHANA

Privatization of Ghana Telecom and Sale of Second National Operating License

The Government of Ghana, as part of its telecommunications sector reform program, announces the commencement of a competitive process to select eligible companies or consortia interested in the following two investment opportunities.

(I) the acquisition of a strategic equity interest of up to 30% and management control of Ghana Telecom ("GT"), the state-owned national telecommunications operator

(II) the purchase of a Second National Operating License ("SNO") for the provision of fixed telecommunications services nationwide. Prospective investors are asked to submit expressions of interest in order to

receive a Preliminary Information Memorandum ("PIM") which includes an initial summary description of GT and the SNO, information on Ghana as well as an overview of the qualification and bidding process. The Government of Ghana, acting through the Ministry of Transport and Communications, has engaged CS First Boston Corporation and Ecobank Ghana Limited

to act as its exclusive financial advisors in all aspects of this selection and sale process. Expressions of interest should be submitted to either Mr. Adebayo Alade-Loba, CS First Boston Corporation or K.J. Nyarko, Ecobank Ghana Limited, at the respective addresses below, by no later than March 1, 1996. Inquiries may be directed to any of the following

Ecohank Ghane Limited Am: K.J. Nyarim 19, Seventh Avenur Ridge (West) Private Mail Bag, GPO

CS First Boston Atta: Adebayo Alade-Loba Park Avenne Plaza 55 East 52nd Street New York, NY 10055 IISA 212-909-2438 212-355-4937

**CS FIRST BOSTON** 

Europe/Middle East CS First Boston
Aun: Francois Reyl
I Cabot Square Canery Whar? London E14 4QI England Tel: 171-516-2641

CS First Bost



This advertisement has been approved solely for the purposes of s.57 FSA 1986 by CS First Boston Limited, a company regulated by the SFA. The investment and investment services referred to in this advertisement are not available to Private Customers.

# Trygg-Hansa surges back into black

Trygg-Hansa, one of Sweden's leading insurers, capped a year of strong recovery by reporting 1995 operating profits of SKr2.75bn (\$391m) yester-

day.
The result was a SKr6.4bn swing from losses of SKr3.66bn a year earlier when the company's figures were

Trygg-Hansa

Share price relative to the

Affarasvärlden General Index

SKr bn

the unit was sold to Zurich Insurance of Switzerland early proposed payout of SKr2 a share. Trygg's recovery also of stiff competition.

BUSINESSES FOR SALE 2011 Appear in the Financial Times on Tuesdays, Fridays and Saturdays

APPOINTMENTS ADVERTISING Appears in the UK edition every Wednesday & Thursday and in the International edition every For further information or to advertise in this section please contact Friday. For information on advertising in this section please call: Lesley Summer +44 0171 873 3308 or fax 0171 873 3064

ravaged by the impact of its reflected disastrous investment in underwriting underwriting figures and a better investment performance brought about by falling interest rates and higher share The performance encouraged the group to restore its dividend - which was suspended last year - with a

> Trygg said it was satisfied with its underlying insurance performance, characterised by strong growth in its share of the life insurance market and a retained 30 per cent share of the non-life market in the face

> losses fell from SKr1.29bn to SKr550m, helped by a better experience in most lines of its

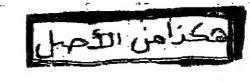
The improved investment outcome was reflected in a total investment return (including changes in surplus values) of SKr3.65bn, against SKr479m in 1994. The latest figure includes

Toby Finden-Crofts on +44 0171 873 3456



Every day, we help thousands of people like Zoe fight cancer.

r a fighting chance city into our visit research Research Fund) s/Ames/Diners/Chanty Card No.
Vines Ones Charry Card No.
PostcodePlease return your donation for Imperial Cancer Research Fund FREEPOST (WC40663) Location WC2A 3BR FTAC



15

rge

**1a** 

and

ected

ould have de-

largest roup after Fan oilapsed last

i Finanziana holding group n per cent of ий Степина, ав ompan) con-Mediobanca hant bank, and talian business на выпобы RCS. Gemina's media subsidrial investiga-.002tions that

:- growing in that the apai irm to the fore

is bever been its promoters tal togat behind

medison with a

tost of its chem-Earlier int n its chemicals , ross strongly.

-bareholders late that a fearging mignt take re favourable

towed that the eturmanict<sub>i</sub> april: son, phich

nn upribusines

not expected

This is the Violational's are likely

# Banks think of us as their idea bank.

# THE GALLOPING

Gloucester than Lloyds Bank agreed a £148bn merger with TSB. Nell Bennett

looks at the implications for the industry

and corporations turn to J.P. Morgan for help with mergers and acquisitions? Because they trust our objectivity, value our long-term perspective, and rely on our extensive knowledge of their industries. But even more important to our clients - and to us - is the fact that we take particularly good care of their ideas. We don't change their objectives to suit our purposes or get a deal done: we respect their strategies and use our talents to help them achieve their goals. The result: transactions that make sense for all parties, especially shareholders. The advisory work we've done in 1995 for our European banking clients helps to explain why we're a leader in our field, and they remain leaders in theirs.

Why do so many leading financial institutions

#### Selected publicly announced M&A assignments for European Banks in 1995

\$15.3 billion TSB Group plc on its merger with Lloyds Bank Pic to form Lloyds TSB Group plc Cheltenham & Gloucester Building Society \$2.9 billion on its sale to Lloyds Bank Pic \$2.3 billion Credito Italiano S.p.A. on its public takeover bid of Gruppo Bancario Credito Romagnolo S.p.A. \$1.4 billion S.G. Warburg Croup ple on the sale of its investment banking Swiss Bank Corporation \$767 million Credit Lyonnais S.A. on the sale of Credit Lyonnais Bank Nederland to Generale de Banque \$140 million Barclays PLC on its acquisition of Wells Fargo Nikko Investment Advi \$300 million Dresdner Bank AC

on its acquisition of RCM Capital Management,

a California Limited Partnership, from Travelers Group Inc.

@1996 J.P. Morgan & Co. Incorporated. Morgan Guaranty Trust Company of New York © 1996 J.P. Morgan & Co. Incorporated, indigate duality free Company of New York is regulated by the SFA. J.P. Morgan is the marketing name for J.P. Morgan & Co. Incorporated and for its subsidiaries, including Morgan Guaranty Trust Company of New York which provides advisory services worldwide. Reprinted from The Sunday Telegraphy Telegra

JPMorgan

#### **NEWS DIGEST**

# Australian media merger hits snag

The Australian Competition and Consumer Commission, the country's competition watchdog, said yesterday it had ruled against the original merger plan between Australia Media, the satellite and pay-TV operator, and the Foxtel consortium, believing that this was likely to lead "to a substantial lessening of competition".

Foxtel is a joint venture between Mr Rupert Murdoch's News Corporation and Telstra, the large government-owned telecommunications group, and it is offering a rival cable-based pay-TV service. The ACCC said Australis and Foxtel had put forward one set of revised proposals but these "have practical difficulties and consequently the ACCC is not satisfied that they would overcome the ACCC's concerns". It said it expected Australis/Foxtel to submit a second revised scheme next week, which would then be evaluated.

Australis confirmed the two groups were still looking at ways to satisfy the ACCC, but added that it was "in discussions with major shareholders to develop a long-term funding package in the light of heavy demand for subscriptions". It said there were "currently in excess of 400,000 viewers of the Galaxy service, with a large backlog of orders awaiting installation". Nikki Tait. Sydney

#### Casino group issues warning

Casinos Austria International, the Australian-listed arm of the Austrian-based gaming group, said it had cut its profit forecast for 1995 to at least A\$1.3m (US\$3.2m) below the prediction made in its share prospectus when it launched on the Australian stock market. It is the latest of a series of profit warnings in the Australian gaming sector.

For the year to December, CAI had previously suggested a profit after tax of A\$7.1m. on revenues of A\$71.5m. It blamed the impact of the Sydney casino, which opened late last year. and intensified competition in the Australian gaming, the delayed sailing of a cruise ship, with casino facilities, in the US; and litigation associated with its Christmas Island operation. CAI takes in casinos in Canberra, Christmas Island, and the recently-opened Reef Casino in Cairns. Nikki Tait

### Licence for DE Shaw Japan unit

DE Shaw Japan, the Japanese arm of the UK securities house DE Shaw Securities Group, received its licence to operate as a dealer and broker in Japan from the Japanese ministry of finance, effective this month.

The company will specialise in dealing in warrants and convertible bonds, and its launch comes as an increasing number of Japanese companies are restarting equity linked

DE Shaw's debut in Japan may signal a halt in the departure of foreign financial institutions from the Tokyo market. Japan's role as a international financial centre has been questioned following a shift out of Tokyo by financial institutions' and companies due to excessive regulation and Emiko Terazono, Tokyo

#### Burmine lifts Gasgoyne stake

Burmine, the Australian mining group which plans to merge with Perth-based Sons of Gwalia and bid for Western Australia's Gasgoyne Gold Mines, said it had raised in stake in Gasgoyne to 18.29 per cent. The increased holding, which follows a series of stock market purchases places, increased pressure on the US's Couer d'Alene Mines, the rival suitor for Gasgoyne. Coeur d'Alene has an option over 19.9 per cent of

### **Arab Banking Corp increases**

Bahrain's Arab Banking Corp yesterday said it raised its net profits to \$116m in 1995, up from \$105m in the previous year." The bank, one of the Arab world's biggest, said operating profit before provisions, tax and minority interests increased 18 per cent from \$225m to \$266m. Pre-tax profit rose from \$136 to \$149m. Assets rose from \$19.5bn to \$21.3bn. and deposits, including certificates of deposit, increased from \$16.4bn to

### Minorco sells Santa Fe interest

Minorco, the Luxembourg quoted offshore operating arm of the Anglo American Corporation of South Africa, is to sell its 9.6 per cent shareholding in Santa Fe Energy Resources, a US oil and gas company. At yesterday's price of about \$9.50 a share, the stake is worth \$82.8m. Santa Fe has called in three investment banks - Lazard Frères, Morgan Stanley and Salomon - to organise a secondary issue of the 8,712,327

Minorco previously owned more than 47 per cent of Adobe Resources, an oil and gas company that was merged into Santa Fe in December 1991. Minorco was obliged to retain its holding for a year. The company said yesterday the sale was another step in its strategy to focus on its core operations in gold, base metals, industrial minerals, paper and packaging and agribusiness. The cash raised would also help towards its heavy capital expenditure programme.

\* NR is a Normal Rate

Denmark | 15

Brazil

Canada

France

Germany

Hungary

Indonesia

Luxembourg .

Trust(CSOT), and CITC Seoul Legend Trust(CSLT).

Ireland

Italy

Japan

Kenneth Gooding, London

Korean Securities Investment Trusts

Citizens Investment Trust Management Co., Ltd. (CITC) hereby gives notice to holders of Korean securities investment trusts ("Korean Trusts") that certain amendments to Korean withholding payments relating to

income and capital gains by Korean Trusts to non-residents individuals and foreign corporations with no

permanent establishment in Kores. Unless an exemption under an applicable treaty applies or certain arrangements have been made. CITC will withhold tax on dividend or interest income at the rate of 27.5% (until December 31, 1998 and 26.875% thereafter). With respect to capital gains, CITC will withhold tax

at the rate of either(i)27 5% (until December 31, 1998 and 26.875% thereafter) of the capital gain or (ii) 11%

tuntil December 31, 1998 and 10.75% thereafter! of the gross realization proceeds, whichever produces the lower Korean tax burden the "Normal Rate". The table below sets forth the tax rates generally applicable to

residents of countries with which Koroa has entered into tax treatles and who have no permanent

Country Interest Dividend | Capital Gains | Country Interest | Dividend | Capital Gains | Malaysia

Mongolia

Norway

Roumania

Singapore

Sri Lanka

Thailand

Tunisia

Turkey

→ Vietnam

Citizens Investment Trust Management Co., Ltd.

23-4, Youldo-Dong, Youngdeungpo-Gu, Seoul, Korea Telephone 822-3770-7601 Facsimile 822-3770-7625/7630

CITC manages the following Korean Trusts - Korea Growth Trust (KGT), Korea 1990 Trust (KNT), Seoul Asia

Index Trust(SAT), Seoul Horizon Trust(SHT), CITC Seoul Prosperity Trust(CSFT), CITC Seoul Access Trust(CSAT), CITC Seoul Frontier Trust(CSFT), CITC Seoul Excel Trust(CSET), CITC Seoul Select Trust(CSFT), CITC Seoul Balanced Trust(CSFT), CITC Seoul Century Trust(CSCT), CITC Seoul Optima

1 Sweden

New Zealand 10

Switzerland | 10 |

10 i 27.5

10 | 10

13.2/27.5 16.5/27.5 Q/NR

### Coca-Cola **Amatil** posts strong

By Nikki Tait In Sydney

advance

Strong margin growth from its core Australian business, and a sharp profits rise in its Indonesia and New Zealand units, helped Coca-Cola Amatil, the Sydney-based soft drinks group, to a 25.1 per cent increase in after-tax earntent increase in aiter-tax cantings during the year to end-becember. The figure of A\$138.6m (US\$104.6m) com-pared with A\$110.8m a year earlier.

Overall, Coca-Cola Amatil's sales grew by 32.6 per cent, to A\$2.97bn. Other revenue edged up from A\$50m to A\$70m, to take total operating revenues

Interest expenses, however, were almost doubled at A\$101.4m, compared with A\$54.1m last time. Meanwhile, the A\$671m rights issue, which took place in Jane, increased the number of shares in issue, with the result that earnings per share showed a more modest 9.8 per cent rise, to 31.3 cents. CCA said that its core Aus-

tralian business made a trading profit of A\$176.8m on sales of A\$1.26bn, up from A\$146.1m and A\$1.19bn respectively in 1994, remaining the company's most profit-able business "by a significant margin".

The company acknowledged that it had benefited from the price war among Australia's sugar refiners, but said that the results also flowed from better control of costs gener-

In the Asia-Pacific region, Indonesia put in a particularly strong performance, with sales growing by over 30 per cent, and trading profit rising by 48 per cent.

CCA said it had restructured its investments, so it now holds a 90 per cent interest in Coca-Cola franchise operations which cover about 97 per cent of the country's predominantly Moslem population. A new A\$100m bottling plant in Jakarta's Citibung district is due to come on stream later this year.

Profits were also 38 per cent higher in New Zealand, and rose 16 per cent in Papua New Guinea. Profitability in Fiji, however, was adversely affected by the cost increased marketing and a shift in prod-In Europe, sales almost dou-

bled from A\$595m to tion with China.
A\$1.15bn, partly due to acquisitions, while trading profits rose from A\$37m in 1994 to A\$82.8m. The company said that it saw "excellent" results in Slovenia, while the newlyacquired Croatlan operations made a "significant contribution". Trading profits from the Romanian unit, another recent purchase, were described as "very healthy" and in excess of forecasts.

However, the situation was less satisfactory in Hungary, where trading profits fell in the face of a weak economy and aggressive pricing.

Trading profits were also down in Austria, although this was because of a one-off provi-

# San Miguel growth held to 9%

San Miguel, the Philippines' largest brewery and consumer food products group, yesterday blamed anaemic profit growth in 1995 on the surge in raw material costs resulting from a series of natural disasters. At 5.38bn pesos (\$205m) last year, San Miguel significantly underperformed average corporate results, posting net profit growth of only 9 per cent.

The company, which last year approved a 40bn peso capital increase to fund a five-year overseas expansion plan, said that higher commodity prices

molasses, corn and copra pro-duction had sharply raised the cost of products for its beer and food outlets. Consolidated net sales, nevertheless, grew by 16 per cent to 79.2bn pesos in 1995. Sales volume grew by 7

Beverage sales, which includes the group's rum brand, La Tondena, which was separately listed last year, and the group's beer brands, grew by only 5 per cent in 1995 as personal consumption spend-ing fell in response to the doubling of rice prices.

exchange rate to the dollar, the company said. Efficiencies, however, led to a 19 per cent rise on its beverage margins.

"San Miguel was struck by more than its fair share of bad luck last year," said Mr Noel Reyes, chief researcher at Dharmala Securities in Manila, yesterday. "Last year's depressed consumer spending and the unexpected leap in raw material costs was not foreseen by anyone, including the stock

Analysts, who say the Export earnings from its group's performance is expec-coconut oil and shrimp subsid-ted to improve in 1996 with

iaries were also affected by projections of about 15 per cent higher costs and a weaker earnings growth, say San Migearnings growth, say San Mig-uel's B shares, which are avail-able to foreign buyers, are already trading at a strong premium to the market. They closed at 99 pesos yesterday on a p/e ratio of about 26. The

trading on a p/e of about 18. San Miguel, which is lobby-ing the government hard to change the 60 per cent ad valorem tax on beer which it says unfairly benefits its main competitor, Asia Breweries, has gained strong shares in beer markets in much of east Asia in the past five years. The group, which contributes 6.8



per cent to the Philippine treasury's annual tax take, aims to increase its share of sales from abroad to around 20 per cent of total sales by 2000.

# Fokker could be saviour for Samsung Aerospace

Dutch link-up would give Korean concern another option in civilian aircraft sector, says John Burton

hile Samsung Aero-space is being mentioned as a possible saviour for Fokker, the troubled Dutch aircraft company may prove just as instrumental in rescuing South Korea's largest aerospace company.

"Samsung Aerospace doesn't have a future unless it enters the civilian aircraft market", said Mr Lee Keunmo, head of research at ING Barings Securities in Seoul. "It desperately needs a new product because it cannot rely only on military orders to survive.

Samsung, along with India's Hindustan Aerospace, yester-day confirmed that it was interested in acquiring Fokker. Samsung's main aerospace

business consists of the licensed assembly of Lockheed Martin F-16 fighters for the Korean air force. But it will need a new project after 2000 when production of the 120 F-16s on order is expected to be completed. Moreover, Samsung's mili-

tary business is not considered particularly profitable. Analysts believe that Samsung's estimated earnings of \$9m in 1995 came mainly from its nonaerospace operations, including the production of cameras and semiconductor manufacturing equipment.

Samsung appeared to have secured its future in the civilian aircraft sector when it was selected by the Seoul government in September 1994 to head a Korean consortium that would develop a 100-seat regional jetliner in co-opera-

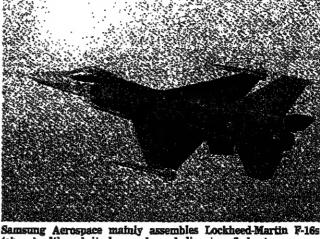
However, the state-sponsored Sino-Korean programme is under threat because of deep differences between the two partners. If the project collapses, "Fokker is an option for Samsung to remain in the civilian aircraft business", said Mr Korea and China have made

little progress in resolving their disagreements during 18 months of negotiations on the \$2bn jetliner programme, known as AirExpress. The main stumbling block is where to locate the final assembly

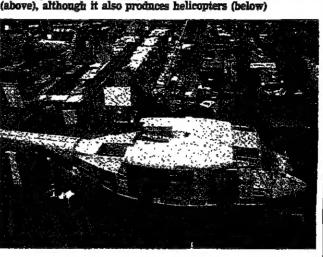
China insists that the AirExpress plant should be located at Xian, the centre of its aerospace industry, since it already possesses aircraft technology and test flight capability and would provide the biggest market for the

Other differences include the location of the aircraft design centre and the selection of a western technology partner, which is believed to have been narrowed down to either Boeing or an European consortium comprising British Aerospace. Aérospatiale and Alenia.

An added source of conflict is the choice of another Asian government as an investor, which would be offered a 10



(above), although it also produces helicopters (below)



the hope that it would buy the aircraft. China prefers Singapore, while Korea favours

China and Korea each plan to hold a 35 per cent stake in AirExpress, while the western technology partner would have

### Looking . . .

We will have to look into the case of Fokker and see why this company is in such difficulty' - Mr Yu Moo-Sung, Samsung chief executive officer

We are studying Fokker carefully' - Mr Ram Sharma, Hindustan Aeronautics chairman

The dispute has delayed the launch date of AirExpress project from the beginning of this year and any further postponement threatens the scheduled roll-out of the first jetliner in

Samsung's expressed interest

in Fokker may only be a negotlating ploy to win concessions from China, such as agreeing to split production work. News of Samsung's possible deal with Fokker came shortly after the latest meeting between Korean and Chinese government officials in Beijing in late January failed to reach a compromise on the Air-Express project. But while Samsung is threat-

ening to use Fokker as an alternative partner if China fails to make concessions, Beijing has indicated that it views Singapore as a possible substitute for AirExpress if Korea refuses to accept Chinese

If the Sino-Korean project collapses, Samsung is believed then to be interested in acquiring part of Fokker to gain access to badly-needed aircraft technology and production equipment so it can carry on a civilian aircraft programme independently.
Samsung has the financial

resources to buy some of Fok-ker's assets, since any deal is expected to be aided by Samsung Electronics, the group's cash cow with estimated net earnings of \$3bn in 1995.

However, the Korean group will continue to face big obstacles to fulfilling its ambitions even if it gains part of Fokker. The world market for regional jetliners is crowded, which is the main reason for Fokker's current woes.

Samsung has a large guaranteed aerospace market in China by co-operating with Beijing, but it may have greater difficulty in finding customers by going alone since Korea is considered too small to support civilian aircraft

# **Indosat ahead 59%** as interest income reaches Rp101bn

By Manuela Saragosa in Jakarta

Indosat, the Indonesian satellite telecommunications company, saw its 1995 profits given a big lift by interest income resulting from its share listings in Jakarta and New York in October 1994.

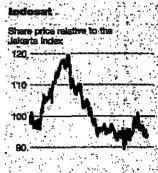
At that time, Indosat placed a large slice of the funds raised in time deposits and as a result was able to bolster its income by Rp101.4hn (\$44m).

Overall, Indosat reported full-year net profits of Rp459.4bn - a 59 per cent increase on the previous year on revenues which grew 14.9 per cent to Rp1,044.9bn. The company said international telephone traffic, which grew by 15.3 per cent in 1995, was the most important factor driving earnings higher.

Analysts cautioned, however, that they expected earnings growth to slow significantly during the current year as Indosat has big spending plans in progress. The company's capital

spending plans for 1996 involve expenditures of about Rp560bn and cash for these projects is expected to be taken out of the time deposits. Singaporean brokerage firm GK Goh Ometraco, for example, has a "sell" recommendation on the stock. It expects net income in 1996 to total Rp505bn and says it may lower this forecast.

"It's a great company but too expensive without any growth," one Jakarta-based broker said. No-one is questioning the viability of Indo-Camintel which provides tele- a year earlier.



coms services in Cambodia but analysts note the rewards

on these projects are long-term. At the same time, Indosat is facing increased competition from Satelindo. This group, in which Indoset has a minority stake, provides a rival international direct dial service, and competition between the two is limited to marketing rather than pricing. Satelindo's market share for all outgoing calls is understood to have been 5.6

150000

 $\mathbb{T}_{\mathcal{L}}$ 

ā-

2500

 $\mathbb{L}_{2^{n}}$ 

44.

和

Paris No.

9223

Marine Barrier

F . . .

\* \*

per cent in 1995. Indosat increased its marketing expenditure by 126 per cent over 1994 to Rol6.5bn. a figure which is expected to continue rising "as competition becomes more intense," Indosat said.

Overall growth in the indonesian telecoms industry was also below expectations last year. Indosat had predicted that growth would amount to between 20 and 21 per cent in 1995, but noted that industry growth totalled only 19 per cent compared with 21 per ce

# Strong export prices lift Posco net 119%

By John Burton in Secul

Strong export prices, particularly in Japan, helped to power Pohang Iron and Steel (Posco), the world's secondlargest steelmaker, to a 119 per cent increase in provisional net earnings last year. The South Korean company

said another factor in the big rise in net profits, to Won839.7bn (\$1.07bn) for calendar 1995, was reduced production costs resulting from increased productivity at its highly-automated steel mills. Turnover increased by 12.4 per cent from Won7,310bn to

Exports account for a quarter of Posco's total sales, which increased by 12.4 per cent to Won8,220bn last year. The company gained busi-

ness from leading Japanese carmakers last year, since it was able to offer lower steel prices than its Japanese

However, the jump in profit growth has prompted demands from Posco's main domestic consumers, including the car and shipbuilding industries. for it to reduce its steel prices this year.

Domestic steel prices are under government control and are already 15 to 25 per cent lower than those elsewhere in

Posco, which is state-controlled, has resisted any price cuts by arguing that net profits will fall to Won694bn in 1996 on stagnant sales due to a global reduction in steel demand and a resulting cut in export prices.

In addition, it is undertaking a Won5,900bn expansion project to lift crude steel production to around 30m tonnes by 1998, against its output of 23.5m tonnes in 1995.

Posco said it planned to pay a dividend of Won950 a share for 1995, against Won675 a year



ebruary, 1996 to 7th August, 1996 the Notes will carry an Interest Rate of 5.25 per Amounts of U.S. \$26.54 per U.S. \$1,000 and U.S. \$265.42 per U.S. \$10,000. The relevant Interest Payment Date will be 7th August, 1996. Bankers Trust Company, London Agent Ban

PROVINCE OF NOVA SCOTIA U.S. \$500,000,000 Toating Rate Notes Due 1999 in accordance with the larms and conditions of the Notice, the interest rate for the period 6th February, 1995 to 9th May, 1995 has been flood to 5th May, 1995 with 1995 with 1995 to 15th May, 1995 with 1995 with 1995 to 15th May, 1995 with 1995

ROYAL BANK OF CANADA

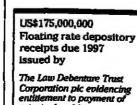


Floating rate notes 1999 Notice is hereby given that for

the interest period 8 February 1996 to 8 August 1996 the notes will carry an interest rate of 9.10% per annum, interest payable on 8 August 1996 will amount to ITL 230,028 per ITL 5,000,000 note and ITL 2,300,278 per TTL 50,000,000 note.

Agent: Morgan Guaranty Trust Company **JPMorgan** 

APPOINTMENTS ADVERTISING daw Sintywid on +44 0171 873 4054 Toby Plates-Crofts on +44 01/1 873 3456



BANCA DI ROMA London Branch

principal and interest on

Notice is hereby given that the Notice is hereby given that the receipts will bear interest at 5,26875% per annum from 8 February 1996 to 8 August 1996, Interest payable on 8 August 1996 will amount to US\$2,663,65 per US\$100,000

Agent: Morgan Guaranty Trust Company

**JPMorgan** 

The Fund of National Property of the Czech Republic Rašinovo nábřeží 42, Praha 2 Czech Republic

announces the sale of 100% of the shares in the joint stock company

#### Technoplast a.s. Chropyně 768 11 Chropyně Czech Republic

by means of a public tender

All enquiries should be addressed to

EEIP, a.s. Na Flore 8 Pregue 4 Tel: 00 422 402 5032 Fax: 00 422 402 1172

Kurfürstendamm 11 D-10719 Berlin Tel: 00 49 30 885 996 0

The Fund of National Property of the Czech Republic reserves the right to refuse any and or all offers, to change the conditions for the public tender without notice and to cancel the public tender without notice.

EEIP. a.s.

Fax: 00 49 30 885 996 34 West Merchant Bank

JARY 8 1996

i- philippine ing

120. take allow to

fine to bet cent of

ome

lbn

Jove to ble

the in Cambian .

te tide intang

I will be \$250 kinder.

TANK STREET

ಆಗಾಗಗಳ ವರ್ಷಕ

INTERNOTING INC.

more than the

nahitatan <u>si</u>

Acres Design

no educações

Live to Danger of

( - 2000 ) - CNEE

PLIFERING TO NOT I

三聚 经货票 監

the professional THE RESERVE OF THE PARTY OF THE

1 - 1 FM

· 医原理性原因

prices

119%

The country of definition of the country of the cou

your private the

75 (1986) 15 (19

en a la la factione

The second of th

· Contract

The second of

in the same of

Salary Wall

ALL STATES

Tech pepublic

e shares

ropynė

nder

\$20 to

3:25-30: Sank Liz

49 30 855 636 C

49 30 325 ggs 34

iearana ieseare

to charge the

chant Bank

functionagements Decreased Berth

Commence of the second era turi ji tay 🗁 ...... 202407 7

Battinios <u>ma</u>

3.5 service 22

the total contracts

Districtly the

Tiles growing

AMERICAS NEWS DIGEST

Aetna adds \$218m

to asbestos reserves

Aetna, the US insurance group, has added \$218m after tax to

the asbestos reserves of the property/casualty insurance

operations it has agreed to sell to Travelers for \$4bn. Some

\$126m of that, however, is covered by the sale of securities

said yesterday. The reserve strengthening follows a \$750m.

the final cost before departure from the property/casualty

The company's continuing life and health insurance

attributed to investments it had made to build its health

that were held in the business that is being sold, the company

charge taken last summer, which had been expected to mark

operations, meanwhile, registered a dip in operating earnings during the final quarter of last year, a result the company

Aetna's latest quarter included a \$29m gain from the sale of

loss from the businesses to be sold. Richard Waters, New York

Northrop Grumman up sharply

yesterday credited its fast-growing electronics business with

Fourth-quarter net earnings of \$1.17 a share, on sales down 4

per cent to \$1.8bn, compared with a net loss of \$2.45 after charges in the same period of 1994, brought full-year profits to \$252m, or \$5.11 a share, on revenues of \$6.8bn.

Net income in 1994 was reduced to \$35m or 72 cents a share.

partly by restructuring costs including a voluntary early retirement programme and asset and property disposals. The company, which is currently buying the Westinghouse group's defence and electronics business for \$3bn cash, said the

transformation from an aircraft company to an electronic

turnover reach more than \$10hn by 2000.

ensors and systems integration concern would help annual

April 1994, showed through particularly strongly in the last

quarter of 1995. Electronics sales were 35 per cent up in the

Operating profits, up 47 per cent for the year, were 77 per cent higher in the quarter. Fourth quarter operating earnings for

aircraft fell as margins and sales declined and research and

development costs rose. Incoming orders also shrank during

Fourth term hits Algoma result

Algoma, Canada's third-biggest steel maker, posted net profit

of C81.8m (US\$1.8m) or 4 cents a share in the final quarter of

1995, down from C\$47.7m or C\$1.82 a share a year earlier, on

sales of C\$292m against C\$285m. The drop was caused by lower

sheet prices, higher unit costs and special charges. For the full year, net profit was C\$109.6m or C\$3.14 a share

against C\$127.3m or C\$4.85 a share in 1994, on sales of C\$1.2bn

Christopher Parkes, Los Angeles

three months and 40 per cent higher over the full year.

the year – mainly because of sharply lower demand for

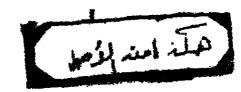
aircraft - to \$4.6bn compared with \$12bn. The value of

outstanding orders was down from \$12bn to \$10bn.

The benefits of buying the Grumman electronics business in

Northrop Grumman, the US military aircraft specialist,

raising sales and earnings to record levels last year.



### INTERNATIONAL COMPANIES AND FINANCE

# Telmex slips despite curb on costs

By Daniel Dombey in Mexico City

Depreciation an foreign exchange losses cunet income for the full year trend-December by 22 per centit Teléfonos de México (Telmc), the country's long-distant telecommunications monopy.

Net income forthe year was 9.3bn pesos (\$1.5bn), on revenues down 6 percent at 41.8bn pesos. Operatig profit was 15bn pesos, 20 jr cent down. The compan which faces

increased cometition later this year, concutrated efforts on controlling osts

The compay can't do too much in terms of revenues, which are lasely determined by economicconditions and tariffs agreedwith the government, but tey can control their expeniture," said Mr Rizwan Ali, a telecommunica- competition is authorised in tions analyst at Morgan Stanley in New York.

For the fourth quarter, operating profit fell 31 per cent to 3.2bn pesos. Net income was up 11 per cent at 969m pesos, on sales down 13 per cent at 9.8bn

A recession that shrunk the national economy 7 per cent and tariff increases that lagged inflation contributed to the decline in sales. However, the increase in Telmex's operating costs was kept to 5 per cent, to 26.7bn pesos. Depreciation costs of equip-

ment, which is mainly valued in dollars, increased 35 per ceni to 7.1bn pesos. The company's policy of keeping wage rises below infla-tion helped control costs. Tel-

mex has also indicated that it

may reduce its workforce after

Vokume (Shn)

August.

"Telmex is taking the right steps," said Mr Ricardo Peòn, head of research at ING Barings in Mexico City. "But whether they are quick enough is still unclear.

Line growth was 3.6 per cent, bringing the total number of lines to 8.8m, but contrasted with previous years' figures of 12 per cent or more. Mr Adolfo Cerezo, chief financial officer, said he expected line growth this year to be broadly similar to 1995.

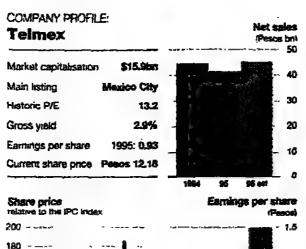
Income from international long-distance calls increased 24 per cent - it now accounts for 27 per cent of total sales reflecting increased commercial activity with the US and cheaper calls in dollar terms. Income from national long-distance calls, which also

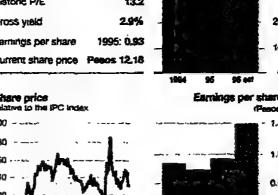
sales, fell 16 per cent to 11.5bn pesos, although traffic increased by 8 per cent.

Long-distance calls have traditionally been among Telmex's most profitable activities, subsidising local telephony, although the company is in the process of rebalancing tariffs to prepare for competition. It has also announced plans to decentralise operations.

In 1995 Telmex cut the number of shares in circulation by some 8 per cent through a buyback programme.

However, the most important development in store for the telecommunications sector will be the result of talks on interconnection fees. Telmex will be obliged to provide competitors. with interconnection to its network from January 1997.





# Argentina builds market for secondary mortgages

or ta past two decades, buying bome in Argentina usuall meant saving for years and then aying in cash. In 1991 that began to cange after the government stabilised the economy, helping the mortgagenarket - dormant for years because f hyperinflation - spring back to le.

Now to multinational banks - CS First Boton and Deutsche Morgan Grenfell hope to spur the process by offering ecurities backed by Argentine mogages, the first such international ses in emerging markets. Such leals are aimed at creating a

liquid econdary market for mortgages lat could shave several interest perentage points off the cost of borrowing to finance a home in Argerina. Ultimately, such programps may mark a first step in the development of new international marks for housing securities, which woukallow people in less developed natios access to cheaper sources of housig finance.

"Tere is an entire generation that does't even know what a mortgage is," sys Mr Pedro Lacoste, an economistwith Alpha, an Argentine thinktanl Like much of Latin America, Argntina is in desperate need of houing. The government estimates 40500 units will have to be built or repired annually over the next 10 yers at a cost of about \$5bn a year. whe in Mexico it is thought to be abot 670,000 units a year for \$10bn. hat is partly why Argentine and Mclco want to develop internationsecurities that will bring capital into

Latin American securitisation market

the housing sectors. Such programmes are part of a trend toward structured finance that was hastened last year when the Mexican peso devaluation made it almost impossible for companies to tap international capital markets directly. Mr Nasser Malik, vice-president of the cross-border finance group at Citicorp, estimates the volume of securitised transactions in Latin America jumped to about \$3.1bn last year from

Deals such as the \$400m issue last June from YPF, the Argentine oil company, backed by payments due from Chile's state-owned oil company, are different from mortgage-backed issues, but require many similar Mexico was well on its way to a

mortgage-backed programme, but the than \$100m and be completed by

**US** automakers

peso devaluation sent the country into economic crisis and put such

plans on the back burner. It has taken Argentina more than a year to introduce the regulations to promote the growth of a secondary mortgage market. In addition, the government and banks have been working to standardise the housing finance sector so that mortgages are sufficiently uniform to allow them to be pooled and securitised.

There are a zillion details," says Mr Howard Hill, managing director of the securitised products department at DMG. He says he expects to price a first deal as soon there are about \$100m worth of eligible loans from the participating banks, which could be as early as May.

Meenwhile, bankers at First Boston expect their programme to raise more

April. It involves securitising loans made to middle and lower-income families by commercial banks and then purchased by the Banco Hipotecario Nacional, a state housing bank. BHN will function like the Federal National Mortgage Association (Fannie Mae), the largest provider of mort-gage funds in the US, by pooling the loans - although initially it will not guarantee the mortgage-backed secu-

Mr Jeffrey Hoberman, an adviser to the board at BHN, says that the deal could lower mortgage rates by as much as 2 percentage points. "It means that a lot more families can begin to dream of coming into the financial system," he says.

But Mr Bertrand Renaud, a housing finance adviser at the World Bank. worries that bringing international capital to the housing sectors of Latin American nations may slow the evolution toward higher domestic savings. That, in turn could continue a reliance on international money that - as was proven last year in Mexico - can flee very quickly.

e points to Cagamas, Malaysia's national mortgage corporation that issues its own debt to buy home loans from local banks, as a better route because the institution is entirely domestically financed. One big difference, however, is that domestic savings rates in south-east Asia last year were 32 per cent of gross domestic product versus 21 per cent in Latin America, according to ING Barings estimates.

International investors buying the

The recent spate of asset-backed issues that have secured investment grade ratings should help, says Mr Frederick Terrell, managing director in First Boston's structured products group who is leading that bank's Argentine mortgage deal. "Any transaction which allows an investor to look beyond sovereign risk is a step in the right direction in the development of a liquid mortgage and asset-backed

# aly marketable mortgage-backed Wall St sees Taurus ascendant as unconvincing sign

Profits have stalled as Ford funds expensive new versions of its biggest sellers, reports Richard Waters

hen he took over the helm of Ford Motor in the autumn of 993, Mr Alex Trotman was in expansive mood.

The first foreigner to run a IS automobile company, Mr frotman - a Briton by birth promised to turn Ford into the world's best maker of cars and trucks. To most observers, that meant catching Toyota of Japan, whose cars had set the pace in vehicle design and manufacturing efficiency. It also seemed to hint at an intention to overtake General Motors to become the world's biggest carmaker (though Ford has always denied it is not driven by such a volume tar-

get).
Ford would also, he said, remake itself to become the first truly global automobile company. With common vehicle development and production methods, it would be in a position to set the pace in the worldwide automobile industry.

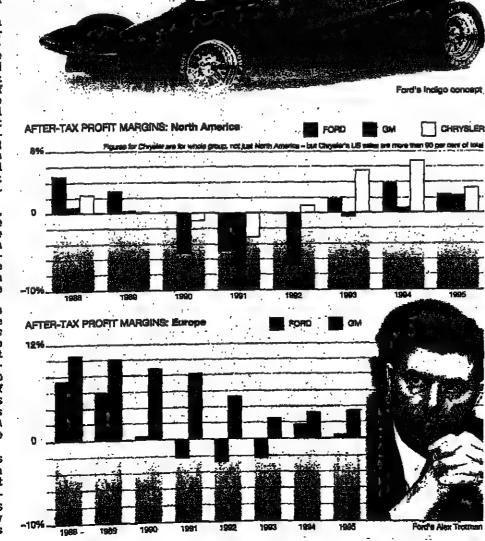
Little more than two years on, Mr Trotman's dreams are on hold. Profits from Ford's automotive businesses dried up in the final months of last year, according to the company, they are unlikely to recover much in the first half of this year. Its share price has floundered as Wall Street has transfered its affection to a resurgent GM and the more

profitable Chrysler. The question is whether this represents a temporary dip in Ford's fortunes, or whether it points to more lasting problems. Ford's recent travails owe a lot to weakening new vehicle markets on both sides of the Atlantic.

Americans have not been willing to spend as much on new vehicles during the current period of economic expansion as the automobile industry had expected - and while they have been eager buyers of sports utilities, minivans and pick-up trucks, demand for passenger cars has sagged.

Sales have stalled at about 15m in each of the past two years - a comfortable level. but not the boom Detroit had been expecting. With the US economy slowing and consumers more deeply in debt than at any time since 1989, there seems little prospect of any

fre her surge in sales. That, and Europe's economic difficulties, have hit Ford at an unfortunate time. Under Mr Trouman's ambitious direction, the company is rolling out new



versions of some of its biggestselling vehicles, including the Taurus and F-series pick-up trucks in the US and the Fiesta in Europe. These models account for more than a third of its sales, but such changeovers lose profits, as discounts have to be raised to shift the last of the old models and

launch costs bite. So Pord's flagging profitability is in part an accident of timing. "We think, after a couple more quarters, things will be on the way up," says Mr David McCammon, Ford's vice-president for finance. The company has demonstrated its confidence in the future by raising dividends twice last year, even as profits fell, he

In other ways, though, Ford has squandered the chance to steal a march on its rivals. pointing to problems.

First, in its pursuit of higher quality - and the higher prices that go with it - Ford has looked in danger of losing touch with its customers. The problem is best summed up by last autumn's launch of a new version of the Taurus mid-sized saloon, the biggest-selling car in the US. Ford set about completely overhauling the vehicle at a cost of \$3bn - to make it the most luxurious, technologically advanced car in its class. But it risks pricing the car out of its market. "We may have made too big a leap," says Mr McCammon of the new

Taurus' price. Buyers bad

grown accustomed to the big discounts on old models, he

Sales of the new Taurus have recently started to pick up. But Ford has tacitly owned up to its mistake by offering \$600 discounts on the car and, this week, unveiling a new, no frills Ford's product fallibility

raises an awkward question as it embarks on its globalisation drive - a project known as Ford 2000. Success will turn on the company's ability to create vehicles which appeal to buyers in all markets, and which require only a minimum of adaptation for national taste.

A second question surrounds Ford's control of costs. Its manufacturing efficiency (generally

judged in terms of man hours per vehicle) is among the best in the business. Having acted more aggressively than its domestic rivals to close unneeded plants at the beginning of the 1980s, it has also enjoyed a high rate of capacity utilisation - at least, until the recent weakness in demand for cars in the US. Its total costs, though, are less impressive. largely because of two other components: product development, and purchasing.

The \$3hn Taurus was preceded by the company's first "world car", the \$5bn Mondeo (known in the US as the Contour). Such costs put Ford out of line with competitors such as Chrysler, which, admits Mr McCammon, "seems to come out with new models spending less money than we do"

The response has been a renewed emphasis on what Ford calls "affordable cost": setting a desired retail price for a vehicle at the beginning. then building the costs around that target.

In its purchasing, meanwhile which accounts for about half of total vehicle costs -Ford has set an ambitious tar-get to hold its costs at 1995 levels in 2000. To do that, it plans to cut the number of suppliers it deals with from 2,300 to 800. By building closer relationships - a practice pio-neered by Japanese manufacturers - the company hopes to be able to influence its suppliers to reduce their own costs. Already, though, Ford has indicated that its materials

costs will be higher in 1996, adding to the future pressure to hit the target. According to the company's executives, these are all problems that can be ironed out. It

is impossible to judge the success of a vehicle like the new Taurus in its first few months: the helty change-over costs that are weighing on its profits will pass, pushing up profit margins in the second half of this year. And as the decade rolls on, the benefits of Ford 2000 and other cost initiatives will begin to materialise.

To judge by the company's share price, though, these messages have not been heeded on Wall Street. The company's dividend yield, at 4.7 per cent, is more than twice the market average, even though its cash generation is strong and there is no threat of dividend cut for the foreseeable future.

Also, Ford's share price does not reflect the earnings power insurance business. Earnings from continuing operations were \$119m, or \$1.03 a share, down from \$1.15 a share the year before, as income from the health side fell 17 per cent to \$72m securities in its continuing operations, and earnings in its discontinued property casualty operations (after the reserve addition and securities sales there) of \$28m. In all, the company reported net income of \$176m, or \$1.53 a share. In the latest quarter, compared with \$160m the year before. For the full year, after-tax profits were \$252m, or \$2.21 a share, down from \$468m the year before. The 1995 results included a \$222m

Argentine securities face big risks. Since there was no substantial mortgage lending in Argentina until 1992. a year after the government stabilised the economy by pegging the peso to the dollar, there is very little information about the risk of such investments. There are also the issues of country and currency risks: Argentine mortgages are nearly all dollardenominated, eliminating most direct currency risk, but if the government did devalue, borrowers would face bigger obligations and thus be more likely to default.

For just these reasons, Moody's and Standard & Poor's, the US credit rating agencies, do not generally rate private debt higher than the relevant government's debt. But First Boston hopes to get an investment-grade rating on at least some tranches of the programme, based on the value of the homes and the fact that the loans would be held by trusts that would be difficult for the government to tap were it to run into economic crisis.

Lisa Bransten

of its various businesses. The

company's financial services

operations alone - which

earned \$2.1bn after tax last

year - are probably worth about \$19bn, according to Mr

Jack Kirnan, an auto industry analyst at Salomon. Add in its

net cash and over-funded pen-

sion fund, and the group's non-

automotive operations are

worth about \$29bn, or \$29 a

share, he adds - close to the

\$30 a share at which the entire

share price, Ford has hinted

that it will sell one part of its

financial services business (IJS

leasing, reckoned to be worth

\$1.5bn) and obtain a stock mar-

ket listing for another (the

Associates, a 20 per cent slice

of which could raise as much

again). The effect has been

Mr Trotman's dream for

Ford may yet come true. For

now, though, the financial world has made clear that it is

far from convinced.

negligible.

To kick-start its flagging

group was trading yesterday.

#### sheet to hold. It plans to operate at full capacity in 1996. Bre-X Minerals plans stock split Bre-X Minerals, the Canadian mining group that has made a

against C\$1.09bn. Algorna has completed a blast furnace

relining and expects a recent 3 per cent price increase for

valuable gold find on Kalimantan island, Indonesia, plans to split its stock, possibly 10 for one. The share price has risen from a 53-week low of C\$1% to C\$108, valuing the company at more than C\$1bn (US\$720m). It now stands at C\$104. Bre-X trades on the Alberta stock exchange and is being listed soon in Toronto and on Nasdaq in New York. Details of the split will be given at the March 14 annual meeting. Robert Gibberts

RTZ-CRA unit to build plant Quebec Iron & Titanium, owned by the world's biggest mining group, RTZ-CRA, will build a US\$260m upgrading plant at its

Sorel limenite smelter near Montreal. Start-up is scheduled for late 1997, with initial capacity of 200,000 tonnes a year. The smelter processes ore from the Lower St Lawrence into titanium slag, which is used in making titanium pigments for the paint and plastics industries, and ductile iron for world markets. The new upgrading unit, which may eventually be expanded to 600,000 tonnes yearly, will produce a 95 per cent titanium dioxide suited to the latest pigment manufacturing Robert Gibben

### Rhône-Poulenc in Brazil sale

Rhône-Poulenc, the French chemicals group, said its Brazilian unit - Rhodia - had agreed to sell all of its shares in vinyl acetate monomer producer Companhia Alcoolquimica Nacional - a stake of 95 per cent - to Union Carbide of the US. CAN, based in north-eastern Brazil, is the only South American producer of vinyl acetate monomer, which is widely used in the coatings and adhesives industry. The sale, which is in line with Rhone-Poulenc's strategy of focusing on its core business, should be completed by the end of this month.

Recommended Cash Offer on behalf of Thames Television Holdings Limited an indirect subsidiary of PEARSON TELEVISION LIMITED

to acquire the whole of the issued and to be issued share capital of SelecTV PLC

Lazard Brothers & Co., Limited ("Lazard Brothers") announces on behalf of Thames Television Holdings Limned ("TTH") that, by means of a formal offer document dated 8th February, 1996 (the "Offer Document"), Lazard Brothers has made an offer (the "Offer") on behalf of TTH to acquire all of the existing issued and fully paid ordinary shares of SelecTV PLC ("SelecTV") and any further such shares which are unconditionally allotted or issued after the date hereof and while the Offer remains open for acceptance (or such earlier date, not heing earlier than the date on which the Offer becomes or is declared unconditional 2s to acceptances or, if later, the first closing date of the Offer, as TTH may decide) ("SelecTV Ordinary Shares"), other than those shares already owned by Pearson ple and its subsidiaries, on the following basis: For each SelecTV Ordinary Share 29p in cash

The Offer values SelecTV at approximately £46 million assuming the exercise in full of all outstanding options, which exercise would generate approximately £3 million of each in SelecTV. The full terms and condutions of the Offer are set out in the Offer Document. Terms defined in the Offer

Document have the same meanings in this advertisement.

The Offer is not being made, directly or indirectly, in or into, or by use of the mails or any means or instrumentality of interstate or foreign commerce of, or any facilities of a national securities exchange of the United States, nor is it being made in Canada, Japan or Australia and the Offer cannot be accepted by any such use, means or instrumentality or from within the United States, Canada, Japan or Australia. This advertisement in not being published or or otherwise distributed in or into the United States, Canada, Japan or Australia and persons reading this advertisement (including custodians, nominees and trustees) must not mail or otherwise distribute or send this advertisement, the Offer Document, the Form of Acceptance or any related decomments in or into or found the Initial States. Canada, Japan or Australia and derive to or found the Initial States. documents in or into or from the United States, Canada, Japan or Australia and doing so will invalidate any related purported acceptances of the Offer.

The Offer will be capable of acceptance from and after 5.00 p.m. on 8th February, 1996 in accordance with the terms and conditions set out in the Offer Document. With effect from that time, the Offer is by means of this advertisement extended to all persons to whom the Offer Document may not be despatched who hold, or who are entitled to have unconditionally afforded or issued to them, SelecTV Ordinary Shares. Such persons are informed that copies of the Offer Document and Forms of Acceptance are available for collection from Lloyds Bank Registrars, Receiving Bank Services, Antholin House, 71 Queen Street, London EC-IN ISL.

This advertisement is published on behalf of TTM and has been approved by Lazard Brothers, a member of The Securities and Futures Authority Limited, solely for the purposes of Section 57 of the Financial Services Act 1986. Lazard Brothers (which a a member of the Securities and Futures Authority Limited) is acting for Pearson plc. Pearson Television Limited and TTH in relation to the Offer and no-one else, and will not be responsible to anyone other than Pearson plc, Pearson Television Limited and TTH for providing advice in relation to the

The directors of Pearson Television Limited accept responsibility for the information contained in this advertisement and, to the best of their knowledge and belief (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts. 8th February, 1996

LEX COMMEN

Videotron

#### COMPANY NEWS: UK

# Six respond to CleriMed bid invitation

and Ralph Atkins

Six financial services companies are thought to have made formal offers for Clerical Medical, the mutual life assurer, following its decision to invite bids from potential

The six are believed to be: Sun Alliance and Commercial Union, two large UK composite insurers; National Westminster Bank and Abbey National, two banking groups which already own life assurance subsidiaries; and Aegon and Fortis, two continental European

A shortlist should be com-piled within the next week or so, although an announcement of any deal is likely to be sev-

eral months away. CleriMed has £13bn of funds under management and has an estimated value of up to £1bn. Its strength lies in its experience of designing products for sale through independent financial advisers, and in its

The types of financial organisation which have expressed an interest in CleriMed highlight the changes taking place in the UK life sector.

Sun Alliance, for example, has been seeking an acquisi-tion in the UK life sector to bring economies of scale to its existing operations. Clerical Medical would have strong attractions - not least because like Sun Alliance, it has back office functions in Bristol, give ing scope for rationalisation.

Among the banks and building societies selling life assurance and investments through their branch networks - the pressure has been to diversify within the long-term savings

For overseas insurers, the UK market is on the brink of looking more attractive, with prospects of growth in long-term savings and personal pensions. Aegon, the Dutch insurer, bought Scottish EquiRise of 14% despite further loss of passengers to Eurostar

# Higher retail spending boosts BAA

BAA, the airports group, improved nine month pre-tax profits by 14 per cent despite the increasing loss of passen-gers to the Eurostar train ser-vices through the Channel

Higher retail spending by passengers helped pre-tax prof-its rise from £328m to £374m (\$576m) in the period to September 30 which were struck on revenue 7 per cent higher at 2987m (2926m).

However, although the figires were at the top end of analysis forecasts, the shares fell 3p to 486p after the launch of a £250m 10-year convertible bond led some shareholders to

fear dilution.

Mr Russell Walls, finance director, said the group's first convertible bond issue was part of a strategy of diversifying funding sources. The money would be used to finance on-going capital expen-

If all the bonds were con-verted, it would result in the issue of 4.8 per cent of new equity, he said. However, Mr Walls said the

fund its core busin Revenue from retailing increased 10 per cent to £440m. (£402m). Mr Walls said that the net income per passenger had

grown by 4.1 per cent, against

group had not changed its pol-

icy of not issuing shares to

Income from traffic and airport charges was 5 per cent higher at £380m (£364m) and

property income improved 11 per cent to £157m (£141m). In January 6.3m passengers travelled through the group's airports, a rise of 5.8 per cent, the same rate of growth as for the nine months. However, European sched-uled traffic, which increased

only 1.5 per cent because of competition from Eurostar. The Monopolies and Mergers Commission, which is conduct ing an investigation into the group's charges, is expected to publish its report in July.

3.3 per cent in 1995, rose by



Russell Walls: diversifying

# EU prompts Prudential restatement

By Alison Smith.

Prudential, the UK's largest life assurer, yesterday issued restated accounts for 1994 and the first half of 1995 to prepare investors for accounting changes which will significantly affect its results for last

The changes come from the need for UK insurers to comply with the EU insurance

Another difference this time

Railtrack, the soon-to-be-

floated company which has

taken over British Rail's track.

stations and signalling

operations, is unlikely to find

backers to fund Broadgate-

style developments at King's Cross and Paddington so soon after the Canary Wharf flasco.

Instead, banks are choosing

to back takeovers which they

believe to have "industrial

logic", and where they have a

long-standing relationship with

the acquirer. Several high-profile M&A

deals bear out this strategy:

Glazo's takeover of Wellcome.

the merger of Crown Cork &

Seal, the US packaging com-

pany, with Europe's Carnaud

MetaiBox, and Farnell's pur-

Even in the case of Granada

the repayment of the facility is not conditional on the disposal

of Forte's hotels. "Granada is

not under pressure to achieve

disposals because of the financ-

chase of Premier.

RESULTS

accounts directive in producing their fullyear results for 1995.

The restatement underlines the volatility that the changes will bring to the profit and loss account. For 1994, the restatement takes pre-tax profits from 2603m to £358m (\$550m), while for the first half of 1995 it increases them sharply from £335m to £499m.

This is because the directive alters the treatment of investment gains, so these

are included as actual gains rather than averaged out over five years.

The directive also requires any amounts that can be clearly attributed to shareholders to be counted in shareholders' funds. This leads the Pru to an increase in shareholders' capital and reserves. This figure rises on the restatement from £733m in 1994 to £1.26bn; and from £959m to £1.58bn in the 1995 interim

#### The much-needed consolida-tion of the UK cable industry Videotron H has taken a further step for-Share price relati ward. The logical buyer for Videotron, put up for sale yesterday by its Canadian parent, is another UK cable group. Possible bidders include TeleWest, Nynex CableComms and Bell Cable media, a part owner of Videotron which has itself been subject to takeover rumours. The rationalisation of the industry into a smaller number of big operators is essential if the compa-1995 nies are to compete effectively in pay-TV and

telecoms. Forming clusters of cable franchises in areas cuts costs, as it is then easier to build all service networks. Bigger groups would have more clout, heing them secure cheaper network equipment and giving then the critical mass to acquire programming rights. It would lso give them stronger negotiating positions vis-a-vis BT at BSkyR, which dominate their markets.

Whether this will be enough to return the sector to opular ity is questionable. Market leader TeleWest has iderper-formed the stock market by a third over the past ye, Even after yesterday's 25 per cent jump, Videotron is still bow last spring's flotation price. A bidding war for Videotron would boost valuations, but most of the interested parties at likely to offer shares rather than cash. Corporate activit alone cannot disguise the fact that cable penetration rates inhe UK have remained stuck at a dismal 21 per cent for the paithree years - too low for worthwhile profits, let alone a ecent return on investment.

## **US** fund controls future of GPA

By John Murray Brown

GPA, the aircraft leasing company, has warned that the refusal of one of its creditors to back its planned \$2.7bn debt refinancing could force it into liquidation.

The Ireland-based company, which almost collapsed following a failed share flotation in 1993, said it would have to withdraw the refinancing dans, unveited in July, unless it won the backing of the Public School Employees' Retirement System. Mr John Tierney, deputy chief executive, said negotiations would take place in New York over the next couple of weeks.

Its announcement is the first formal indication that the refinancing may have run into problems. "There can be no assurance that this would not lead to GPA seeking court protection from its creditors in Ireland and other relevant jurisdictions," the company

The refinancing involves the repayment of up to \$2.7bn of bank debt through a bond issue of up to \$4bn. This would be funded by the securitisation of about 229 sircraft, half GPA's fleet, and related leases.

If the refluancing went ahead, GPA said, all its 100 or so secured bank creditors would be repaid in full. The improved debt position would also help the unsecured creditors, owed about \$1.2bn.

# Once bitten twice shy, insist bankers

But Antonia Sharpe wonders just how fresh the lessons of the 1980s are in their minds

The large loans that are bankrolling the UK's takeover have paid the interest. Even so, such deals got done," he says. spree have raised concerns that bankers are forgetting the is that banks are not backing hard lessons they learnt only a risky management buy-outs or few years ago, when the grandiose property developments. In recent years, the acquisitive companies of the 1980s came unstuck. everage MBO in the UK has been about £50m-£100m.

Certainly, the arrangements that have financed recent takeovers are audacious.

Granada, the TV and leisure company, arranged a £2.5bn (\$3.85bn) underwritten facility from just three banks, Barclays, ABN-Amro and Chemical, before it pounced on Forte, the hotel company.

Farnell Electronics, the Leeds-based components distributor, negotiated a £540m underwritten facility from Nat-West to help pay for the planned £1.85bn purchase of a eading US distributor, Premier Industrial Corporation.

But bankers are adamant that they are not sowing the seeds of future financial disasters. "The bad memories of Isosceles, Maxwell and Polly Peck are still fresh in our minds," says one banker who went through the pain.

They say that these bad experiences have conditioned the way they now do business. For example, they are placing much greater importance on whether the cash flow of the target company can meet the interest payments on the loan. One banker recalls that in

the late 1980s, cash flow projections were hardly ever requested. At that time, the emphasis was on cutting costs and disposing of assets in order to repay the loan. "People would come in to ask for a loan to take over a company whose historical cash flows could not

WE'RE NOT TAKING RISKS THESE PAYS. WE'VE DECIDED TO SYNDICATE YOUR OVERDRAFT



27.A 0.36 4.62 4.7 0.2 0.2 6.79L 16.96L

2.92 1.39 2.72 0.6 2.54 15.65

(23.9 ) (0.31 ) (4.29% (4.6 ) (0.21 ) (1.2 ) (1.15 ) (0.41 )

(2.88) (1.24) (2.67) (0.61) (0.87) (15.3)

their loans more widely. For example, by syndicating the Granada facility to a further 16 banks, the three main underwriters reduced their participation from £800m each to about £118m, even before the facility their exposure further by asking even more banks to join in. NatWest is also expected to syndicate the facility it has underwritten for Farnell.

ings," says a treasury official Fears that acquisition financat the company. ings have been secured with-To reduce the risk of having covenants appear too large an exposure on one unfounded. The facilities for Granada and Farnell both deal, banks are syndicating

967 6.9 7.57 15.2 2.7 30.5

26.5

153.33 (131.73)

6 miles to Dec 31 6 miles to Nov 38

6 miles to Oct 31

fr to Sept 30 6 anths to July 31

Yr to Dec 31 153.33 6 mine to New 30 98.88 Yr to Dec 31 208.3 Yr to Dec 31 69

nant is believed to have been set at 21/2-times, compared with its current cover of 4-times Banks are also spending

more time researching the target company rather than rely-ing on what the buyer tells them. Mr Andrew Fisher, Farnell's finance director, says that as well as going through the numbers thoroughly, Nat-West bankers went to the US to meet the various tiers of

nii 1.65 1.15 nii 0.3

management at Premier. It also investigated US legal and environmental issues before agreeing to make the loan.

Companies, too, are taking greater care to protect themselves against unexpected events, such as a sudden rise in interest rates or currency movements. For example, since Farnell's loan will be serviced from Premier's cash flow, the facility from NatWest is denominated in dollars not sterling. The facility has a floating rate of interest, but by entering into a derivativesbased transaction called a swap, Farnell has secured a fixed rate of interest of 6% per cent on the six-year loan.

Although derivatives have acquired a risky reputation after some companies lost large amounts of money by using them for speculative purposes, many companies and governments use them prudently to manage their debt liabilities. Granada is also believed to have used a swap to achieve a fixed-rate of inter-

However, proof of whether banks really have become averse to risk should not take long to emerge. If Sir Rocco Forte can raise the £1.55n-plus needed to buy back his hotels from Granada supported by just £300m of equity, says one commentator, then they have not changed their spots at all.

10.125

nt 5.75% 3.5 nd 0.75 0.1

# **Shares in LBMS** plunge on warning

The shares in Learmonth & Burchett Management Systems dived 45 per cent from 3230 to 1770 after it warned of third quarter losses following lower than expected revenue for the period. However the software company was unwilling to say whether the losses would wipe out interim profits of £496,000. When the company reports its results for the quarter to January 31 in two weeks time total revenue is expected to be between \$9.5m and \$9.75m (£6.33m). It blamed the shortfall on

Learmonth & Burchett 250

revenues outside the US, particularly the Asia Pacific region. Mr Rainer Burchett, chairman, said that improvements in turnover were taking longer to achieve than expected. However the company was not taking any immediate action as it had yet to analyse the reasons for the shortfall. Nigel Clark

### Morgan Crucible buys Magna

Morgan Crucible, the speciality materials group, has moved into the Asian chemicals market with the HK\$171.5m acquisition of an 80 per cent stake in Magna Industrial Company, based in Hong-Kong, with the option to obtain the rest after 18 months.

In the year to September 30, Magna made pre-tax profits of HK\$31.4m on sales of HK\$144.8m. Net assets were \$HK\$2.2m, including HK\$46.9m of cash being retained by the vendors.

### Brasway expands in France

Brasway, through its Europower Hydraulics offshoot, has acquired a 35 per cent stake in Solytra Flexibles, a French distributor of rubber and thermoplastic hose and fittings, for \$222,000 (\$342,000) in cash.

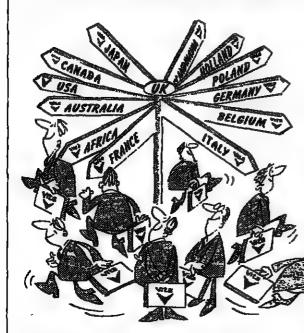
Europower has an option to acquire the remainder of Lyon-based Solytra, for an amount between £385,000 and £1.93m, no later than December 2001. If Europower does not buy the remainder, the 35 per cent stake will be sold back to Solytra at the original price.

## Senior Engineering purchases

Flexonics, the US division of Senior Engineering Group, has bought two makers of Teflon hosing and assemblies for a total of £7.7m (\$12m). Habia Teknofluor of Sweden was purchased for SKr27m (£2.6m), and Jackson Industries of Chicago for Habia's sales of 1995 were SKr73m. Jackson had sales of

100

# The address is Manchester.



### The business is worldwide and expanding!



VITA BRITISH VITA PLC, Middleton, Manchester, M24 2DB. Tel: 0161-643 1133 Fax: 0161-653 5411

INTERNATIONAL LEADERS IN POLYMER, FIBRE AND FABRIC MATERIALS AND TECHNOLOGY ... SERVING THE FURNISHING, TRANSPORTATION, APPAREL, PACKAGING ·AND ENGINEERING INDUSTRIES.

# The Financial Times plans to publish a Survey on

(926 ) (8.4 ) (5.99 ) (7.57 ) (2.3 ) (29.8 ) (28.9 ) (3.72 )

(91.65 ) (199.4 )

(63.9 ) (300.6 ) (176.6 )

374 0.257 0.764 0.807 0.027 0.241♥ 1.84L♠ 4.17L♠

1.17 1.65 0.596 1.64 0.279 3.9

(0.226 ) (0.673 ) (0.432 ) (0.029L) (1.03 ) (0.1924) (0.081 )

(1.16 ) (1.47 ) (0.584 ) (0.074L) (0.096 ) (3.77 )

# lovenia

on Thursday, March 14.

The survey will discuss Slovenia's political stability and developments in that area; also its rapidly improving infrastructure. Other articles will include the economy. trade, banking and finance and industry.

For more information on editorial content and advertising opportunities available in the survey, please contact:

> Mr Zeljko Paul Mandic Tel: +44 (0)181 399 8828 Fax: +44 (0)181 399 7196 Patricia Surridge Tel: +44 (0)171 873 3426 Fax: +44 (0)171 873 3204

or your usual FT representative

FT Surveys

Industrial Bank of Korea

# **INAUGURATION**

OF LONDON BRANCH

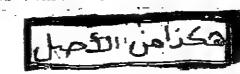
Industrial Bank of Korea Europe S.A., a member of Industrial Bank of Korea Group, announces the opening of its branch in London today.

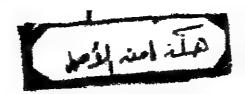
The London branch will undertake a broad range of banking services to serve your needs

The new branch is situated at:

**Ground Floor** Basildon House, 7-11 Moorgate, London EC2R 6AD

Tel: 0171 600 7667 Fax: 0171 600 7176 Telex: 922691 IBKLDN





### COMMODITIES AND AGRICULTURE

# Hogg seeks EU action to | Ukraine's president faces agricultural showdown end German beef ban

By Deborah Hargreaves

Mr Douglas Hogg, UK agriculture minister, said yesterday that action by three German Länder to ban British beef imports was "illegal." He had taken up the issue

with the German government and the European Commission and said he hoped the commission would take action this

"It is a very serious problem.
It is clearly illegal and we want to get the commission to take action against the federal government so that they can put pressure on the Länder," he told farmers at the annual meeting of the National Farmers' Union of England and

nish farmer told the meeting he had lost £40,000 about 18 months ago when the Germans imposed a ban on beel imports and was losing \$2,000 a week before Christmas because of consumer fears over mad cow disease. Germany has been wary about British beef because of concern about bovine spongiform encephalo-

Mr Hogg encouraged farmers to tackle the sloughter industry over the charging of a levy by abattoirs to remove certain offal believed to be associated with BSE from carcasses. There should be a nice tussle. but I'm against unilateral levies," Mr Hogg said. Reform of the European

pathy, or mad cow discase.

Union's Common Agricultural Mr Richard Haddock, a Cor- Policy was necessary because

the current policy was "not sustainable in the face of internal and external pressures upon it," he told farmers. He said the success of the CAP was being bought at a price to consumers and taxpayers which they were increasingly unwilling to pay.

Mr Hogg said he was pres ing Brussels to agree a "lightweight" regime for potatoes that would have the effect of preventing state aids to pro-Some countries would like to

ket manipulation including intervention. He also said the UK had asked for a one per cent

increase in its milk quota in return for a 5 per cent reduction in support prices.

the majority stake in the pro-

tisation law.

and handling.

tion as tikraine lacks a proper constitution. The parliamentary speaker, Mr Oleksandr Moroz, argues that the new privatisation scheme will solve the payments crisis in the sector by giving agricultural suppliers

agro-industrial compa-

nies, mostly in food processing

President Leonid Kuchma, after furious lobbying by mar-

ket reformers, vetoed a similar law last year. But parliament

has returned the law largely

unchanged, effectively remov-ing half the companies from

the country's voucher privati-

sation programme, Mr Kuchma

can veto the new law in the

coming weeks, a period appar-

ently left open to interpreta-

kraine's parliament duction companies, which urged Mr Kuchma to veto the vatisation effort and to the sometimes fail to cover outstanding bills. The law received strong backing from the large and influential agrarian party in parliament, closely

has set the stage for

showdown with the president over agricultural reform by adopting a controversial priva-The communist-dominated chamber last week passed a President Leonid Kuchma has to decide whether statute that proposes to give to veto, for the second time, a plan to give collective farm directors a free 51 per cent stake in the coun-

> affiliated with the communist and socialist groupings. As the statute is written the 4,270 agro-industrial companies both private and state-owned collective farm bosses taking a free majority stake. Agro-industrial workers could mop up the rest through a closed auction or the remaining stake could be sold through the voucher programme. The law does not clearly specify,

experts said. "It's a real tragedy, a recol-lectivisation," argued Mr Serhei Tiriokhin, a deputy in the reform party, which this week ors - and again consolidating their power would slow Ukraine's transition to a mar-

collective farm directors a controlling stake in the

country's agro-industrial companies

Under communism, he

were among the strongest and out the law may be vague

most influential economic act- enough to be circumvented.

added, collective farm bosses

are worried that the scheme creates a sturdy vertical monopoly that will push up prices, freeze out vital foreign investment and slow recovery in agriculture. "I'm not sure the President will have enough political will to veto it again," Mr Tiriokhin

ket economy.

Matthew Kaminski reports on a communist attempt to force 'recollectivisation'

About \$720m in World Bank loans may be at stake. The blow to the government's priThe state property fund, which opposes the law, expects the president to issue a decree tak-ing some agro-industrial companies off the parliament's list, an official said.

country's already weak prop-

erty safeguards also worries

reformers. But officials point

Taking a stronger interest in economic reform than at any time in the past six months, Mr Kuchma last month called for speeding up privatisation and farm reform. The new rhetoric may indicate that the president is ready to use the veto for only the second time since taking office in 1994.

The government's agricultural reform measures have reduced state orders for grain

last year but they actually came in at 4.6m - and let farmers sell to different buyers at the commodity exchange opened last year.

Although some collective farms are getting broken up and private farmers are starting to appear in the country's western regions, land reform may prove to be the highest hurdle for the Kiev government. Sensitive to the political opposition from the traditionally conservative agricultural lobby, it does not appear "willing to push the boundary on private property", a western diplomat said.

Even so, Mr Moroz, a fierce opponent of private ownership land, on Monday stepped up the attack on the president's proposed farm reforms, calling on local governments to ignore a November decree cautiously mandating limited sales of land within collectives, which are slowly being broken up.

The agrarian lobby is also pushing for more subsidies. This week parliament considers a proposal to clear loans run up by state farms and agro-industrial companies

# Oil stocks 'lowest since 1980'

By Robert Corzine

principle of some

in menters are street to the BL at BRAS

West use speak

the past the Elec

is still bent las

or Videotro sook

tate delicit alog

ation rates mail?

and for the parting

e: aloge a com

**BMS** 

arning

ith & Burchett

: coproversal

1、12. 20mm 1. 20m 多定选单

's Magna

· 医性性炎 有压力效果

and the Michigan

France Part of the North Con-

Court of a French

in the most of

10 m 2 2 m 200

urchases

The state of the s

No. of the second

Para Landa Par

to the first state of

A CHARLES

20,000,000 Symple Court 15

Sec. 304, 304

The extent to which oil stocks are rebuilt in the US and Japan will be a crucial factor in future oll price movements, according to the International Energy Agency.

In its monthly oil market report, the Paris-based agency. which monitors the oil market on behalf of the main western industrialised countries, said stocks in OECD countries at the end of last year were at the lowest level since at least 1980. "At 59 days of forward demand, stocks were five days and four days lower than in the previous two years," said the report. The largest volu-

metric decrease was in the US,

robusta COFFEE futures slid

almost 6 per cent yesterday on

speculative and producer sell-

ing, but ended just above a sav-

MARKET REPORT

where a switch to new "just-intime" Stock management techniques by refiners led to a sharp fall in stocks.

But the agency noted that Japanese stocks at the end of last year were 30m barrels lower than at the end of 1994. That was "as great a decrease as in the US in percentage terms", it said.

The Japanese stocks were equivalent to 74 days of demand, only four days higher than the mandatory level set by the Japanese government.

Some refiners have cut stocks as part of cost-cutting programmes. The perception that there are ample supplies has given them the confidence to do so. But in recent months

'Over-cooked' coffee prices fall 6%

"There has been good specu-lative and trade selling as well

as some producer sales," said

one trader. "The market had

been over-cooked for some

time," said another.

such practices have led to sharp and sudden price swings. The IEA said another critical factor for the markets would be whether European refiners copied their US and Japanese counterparts.

The agency also reported that world oil supplies rose substantially last month as quiput was restored in countries outside the Organisation of Petroleum Exporting Countries after weather-related cutbacks in December.
It said total supply in Junu-

ary reached a record 71.8m barrels a day. That was 855,000 b/d above the December level, and reflected a rise in output from the North Sea, Latin America

COCOA futures ran into pro-

ducer selling and long liquida-

tion in the afternoon and all

prices ended lower.

## RTZ to build \$260m Quebec titanium plant

By Kenneth Gooding,

RTZ-CRA, the world's biggest mining company, is to spend US\$260m for a new plant at its QIT-Fer et Titane subsidiary at Sorel in Quebec. The plant will use a new QIT

proprietary process to upgrade eedstock for titanium dioxide, the white pigment used in paint and most other types of surface coatings. RTZ-CRA claimed yesterday

that the process converted its regular Sorelslag, containing 80 per cent titanium dioxide into upgraded slag (UGS), a new 95 per cent titanium dioxide feedstock that has chemical and physical properties that provided high productivity and

120 120 1,316

low waste disposal costs for titanium pigment producers. The new plant will start up in the third quarter of next

year. Initial annual capacity will be 200,000 tonnes of UGS and the plant is being designed for expansion in modules of 100,000 tonnes and for an ultimate capacity of 600,000. At present the Sorei smelter, on the south shore of the St-Lawrence river about 50 miles form Montreal, has an annual capac ity of 1.1m tonnes of Sorelslag which could be increased to 1.4m tonnes by uprating existing furnaces. RTZ-CRA said Off's ilmenite mine, near Havre St Pierre on the Gulf of St-Lawrence, had enough reserves to supply the smelter for "many decades".

# Fertiliser demand rise forecast

By Geoff Tensey

World fertiliser nutrient demand is forecast to increase by almost 18m tonnes from 1993-94 to 2003-04, according to report published recently by FAO. An overall average growth rate of 1.2 per cent a year is forecast for the three major plant nutrients - nitrogen, phosphate and potash.

About 70 per cent of the growth of 10m tennes in nitrogen is expected to be in Asia, 11 per cent in Latin America and 2.4 to 2.6 per cent in Africa and Oceana. In Western Europe, a decline of about 1.1m tonnes is expected by 2003-04. A similar growth rate and pattern is expected for phosphate. A 4.5m-tonne increase is

forecast, with Asia being the

main growth area (61 per cent) and western European demand falling by 11 per cent.

Potash demand is forecast to increase on average about 1.4 per cent a year, or by some 3.4m tonnes overall. Again most growth is expected in Asia (68 per cent). Eastern Europe is expected to make up earlier consumption cuts while a decline of I per cent a year is expected in western Europe.

The figures are based on data produced by the FAO/Unido/World Bank Fertiliser Working Group in 1994. More recent data is being analysed but is not expected to change the picture fundamentally.

About 7m of the 7.5m tonnes ammonia capacity planned to be built worldwide by 1997-98 will be in Asia, accord-

JOTTER PAD

ing to the report. Most will be built in India and China for domestic consumption.

All three nutrients are expected to be in surplus in 1998-99 but the group estimates that phosphate demand will reach 98 per cent of supply by the end of the decade. The position is becoming more complex as the expanded global trade in fertilisers has led to many more blenders, traders and importers appearing.

The aim of the medium to long-term projections is to provide ample warning of major shortages in the market and avoid the situation in the early 1970s when unexpected shortages led to major price rises. Current World Fertiliser Situation and Outlook 1992/98

1998/99, FAO, Rome, 1995.

### COMMODITIES PRICES BASE METALS LONDON METAL EXCHANGE M ALLINOBILINA, 98.T PURITY (\$ per tonne) Close Previous High/low AM Official

1584-85

1609-9.5 1630/1604 1617-18 1592-92 M ALUMENIUM ALLOY (\$ per tonte Close Previous High/low AM Official Keep and 1400-5 1386-95 1410/1400 1400-10 1365-76 Kerb close 4,973 Open int. # LEAD (\$ per tonne) 768-89 760-61 773/765 764-85 764-85 768.5-9.5 759-61 766/762 MICKEL (5 per tonne) 8460-65 8425-30 8520/8280 Close Previous High/low AM Official 8360-70 NAME OF THE PARTY OF 12,952 TIN (\$ per toruté) 6265-75 6250-55 8220-30 6230-40 AM Official Kerb close Open int. Total daily turns 15,619 grade (5 per tonnal ZINC, special high 1037-38 1041.5-2-5 1058-59 Close Previous 1063-64 1061/1048 1063-54 1056-7 1032-34 79,274 20,108 Open int. : Total daily tumover 2545-46 2525-26 2555/2510 2590/2575 2531-32

118.60 +1.50 179.50 118.00 243 2.177 118.10 +1.75 118.80 115.85 3,947 21,244 115.85 +1.70 115.70 +1.85 116.60 114.20 114,35 +1.60 114,20 114,20 113.30 +1.55 113.50 111.50 PRECIOUS METALS I LONDON BULLION MARKET (Prices supplied by N M Rothschild) S price 412.00-412,50 414.60-415.00 Opening Morning fix 414.75 269.381 499.939 414.20 269.381 499.939 415,50-415.90 E LOW 411.80-412.20 lous close 410.80-411.20 Loco Ldn Mean Gold Lending Rates (Ve USS) 3.80 2 months

384.10

413-415

425.85-428.80

Krugerrand Maple Lesi

582.25 589,15

595.05 607.75

£ equiv. 269-271

63-65

Aug Terri

IN LIME AM Official E/S rate: 1.5370

LME Closing E/S rate: 1.5367

HIGH GRADE COPPER (COMEQ

Spot: 1.5372 3 miles: 1.5340 6 color: 1.5302 9 miles: 1 5264

Precious Metals continued R GOLD COMEX (100 Trey oz.; \$/trey ez.) -1.0 416.0 410.1 101 1,000 -1.3 416.3 412.5 35,478 139,774 417.2 -12 -1,0 419.8 417.7 -0.8 419.5 +10.5 -0.8 424.8 426.8 920 10,995 18 4,243 529 13,158 M PLATINUM NYMEX (50 Troy oz.; \$/troy oz.) 431.0 -2.0 \*\*\*20.1 \*\*\*27.5 \*\*\*31.90 \*\*\*19.190 \*\*\*19.33 \*\*\*-2.1 \*\*\*33.4 \*\*\*27.5 \*\*\*21.0 \*\*\*27.5 \*\*\*21.0 142.05 -1.75 142.50 139.50 1,325 143.25 -1,85 144.08 141.25 144.78 -1,70 - -146.00 -1.70 - -

210 2,357 119 1,235 2 56 2,866 22,882 152 2,471 12 75 13 57 # SELVER COMEX (5,000 They ez.; Cents/tray ez.) -3.4 882.0 572.0 16.534 64.996 -3.8 586.0 577.0 2382 17.375 -3.6 588.0 561.5 651 8.615 -3.6 590.0 586.5 81 9.918 -3.6 590.0 581.0 150 5.983 -3.8 - 1 2 Mar May Jul Sop (his 87 9,918 159 5,983 1 2 18,236 111,661

**ENERGY** E CRUDE DE, NYMEX (42,000 US gain, \$/barrel) 1779 17.52 34,115 70.254 1740 17.23 17.897 61.308 17.20 17.09 7.973 43,516 17.10 17.00 5,508 36,502 17.01 16.98 17.07 28,563 16.98 16.92 813 15,163 -0.04 +0.02 -0.01 M CRUDE OIL IPE (S/harrel) 16.58 16,10 15.87 13.71 1,135 18.561 15.74 100 8.355 15.72 20 5.098 HEATING OIL HYMEX (42,000 US galls; SUS galls) +0.41 52:50 51:50 19,678 32:579 +0.04 48:50 40:85 8,220 10,247 -0.01 47:50 47:10 3,609 11,481 3,609 11,481 1,636 10,256 -0.21 46.75 46.45 -0.11 46.85 46.65 -0.06 47.20 46.98 858 5,945 85 5,182

85 5,162 34,588 97,418 +6.00 172.00 167.25 5.566 17,156 +1.00 158.00 156.00 8.641 18,296 3,815 544 454 100 150.25 +1.75 150.56 148.75 147.00 +1.90 147.25 146.75 146.00 +1.00 148.50 148.00 146.00 +1.00 146.50 148.00 6.114 18417 74570 MATURAL GAS NYMEX (10,000 machin: Sympline) 2510 +0.0EC 2.635 2,465 19,114 29,847 2.110 +0.024 2.186 2.090 4.242 18,009 2.010 4.0024 2.090 1.987 17.134 1.550 -0.010 1.980 1.930 1.937 17.134 1.930 1.935 2,000 1,987 17,134 1,930 PM 12,045 1,910 538 10,022 1,980 544 9,561 1.890 -0 020 1.900 E UNLEADED GASOLINE HYMEX H2,000 US galls.; cAUS galls.) -0.18 52.60 51.60 95.76 22,871 -0.18 52.60 51.60 95.76 27,871 -0.12 54.75 54.10 6.748 17,220 -0.01 54.50 54.00 3,654 9.631 -0.01 54.05 52.70 907 53.10 -0.01 52.76 52.70 30 2,765 -0.01 52.76 52.70 37 2,765 -0.01 52.76 52.70 37 2,765

GRAINS AND OIL SEEDS MINIMAT LOS & SECTIONS

125,10 -1.16 125,85 124,95 111,50 -0.26 112,25 111,50 113,00 -0.25 113,05 112,80

\$22.50 +4.75 \$24.00 \$17.50 \$2,042 40,782 468.75 +8.00 488.00 488.00 2,973 \$5,348 457.00 +8.00 458.00 448.00 6,725 38,986

\$65,50 +2.00 363,75 358,25 37,182 169,043 \$97,25 +2.00 387,50 383,50 17,332 137,842 384,00 +1,75 354,25 362,75 8,879 91,975 313,25 +2.00 313,50 310,50 1,886 28,586

313.26 +2.00 313.50 310.50 1,886 28.696 300.50 +1,75 300.75 298.00 8,236 62.028

729.25 +5.58 738.04 721.55 28.233 73.343 73.800 +5.25 738.50 736.50 7.749 38.544 743.77 +8.00 744.50 736.09 5,641 35.621 745.55 736.00 +5.64 36.21 745.55 736.00 +6.80 736.00 736.00 56.3137 731.00 +6.80 736.00 716.25 6.782 48.50 714.00 783.25 6.782 48.50 48.50 714.00 783.25 6.782 48.50

24.12 +0.00 24.13 22.97 4.751 30.337 24.46 +0.01 24.48 24.23 2.090 29.428 34.64 +0.04 24.65 24.70 1,233 15.428 24.96 +0.03 24.95 Mai 14 4,044 25.75 +0.05 25.15 25.05 61 2.077 25.27 +0.02 25.30 25.14 66 1,754

290.6 +1.5 230.7 228.2 10.76 37.470 233.6 +1.7 233.9 231.3 3,225 22.23 235.4 +2.1 235.5 232.7 1,97 19.36 235.0 +2.1 256.0 227.7 177 3,174 231.5 +1.5 221.5 229.7 382 2,580 228.1 +2.2 228.5 223.8 277 1,494

+815 MBT# 178.6 +215 MBD# 200.6

1385

17,654 51,754

112.75 -1.80 113.25 112.75 114.46 -1.18 115.25 114.60

W SOYAMBAN ON CET HOUSEDER OF THE

FOTATUES LES (CADINA

200.9 182.5 209.0 325.0

1389 1380 1381

1252 1230 1355

Chee: 146

-9 -5 -7

SOFTS E COCCOA LCE (EAC 902 2,480 17,211 925 2,126 18,710 956 975 994 1014 949 265 10,592 970 109 35,383 968 820 12,627 1007 2,101 28,836 +10 +9 +10 956 975 994 1018 1267 2,496 24,803 1282 2,309 29,292 1216 668 10,464 1236 98 10,569 1375 237 9,536 1282 207 7,247 1289 1313 1334 1338

E GOODA (GOOD) (SDR's/lesse) +48 2125 2045 1,986 18,975 +44 1850 1873 2,081 12,094 +38 1800 1825 507 4,074 +41 - 1,074 +25 - 24 102 ME COFFEE "C" CSCE (37,500fbs; cents/fbs) 119.40 -1.25 127.59 118.75 4,248 12,778
117.00 -1.25 128.35 118.35 2,274 9,395
115.05 -1.86 122.50 114.25 414 3,364
114.45 -1.95 129.05 114.05 95 1,857
119.06 -1.90 119.40 113.00 40 1,176
113.80 -1.90 115.00 116.00 18 225 113.00 -1.90 115.00 113.00

-0.11 MATTE SUGAR LOE STOTES +0.6 369.9 367.9 1,512 4,884 +1.9 357.0 353.5 1,248 11,634 +0.8 3524 337.5 595 5,770 +0.8 312.8 311.2 255 3,900 +0.4 303.8 302.5 182 2,530 +0.4 303.8 302.5 182 2,530 +0.5 300.0 71 597 4,963 33,265 # 51/0AF "1" CSCE (112,000bs; certs/bs) 12.00 -0.19 12.25 11.88 5.432 60.834 11.22 -0.00 11.32 11.06 2.676 34.29 10.41 -0.08 10.42 10.23 1.154 34.136 10.15 -0.01 10.18 10.05 622 22.664

9.85 374 13.040

という

1550 0.69

Feb 6 month ago year ago 2157.8 2090 3 2225.9

Feb 5 month ago 245,84 246,38

EL CRIS Februs (Pass: 1967-100)

Feb 5 189,50

Feb 6 Feb 5 month 245.61 245.84 246.2 III GSCI Spot (Beet: 1970=100)

84.00 -1.26 85.70 84.00 4.133 19.112 84.78 -1.60 86.20 84.60 1.990 15.513 85.00 -1.37 86.45 M.01 1.330 W.028 457 476 1,379 1,457 486 34 MIN -0.85 MB/IS 29.75 246 1,963 -8 16 77.85 77.52 219 12,489 78.40 -010 TORANGE JUICE NYCE [15,000lbs; certa/fbs) 118.45 -265 122.25 117.60 5,601 12.643 120 S -2 20 123.90 119.00 2.394 5.557 1250 -225 1250 12250 236 1,855 1250 -225 12500 12400 103 1,453 1250 -440 12400 12250 40 563 1255 - 12400 12250 80 1,697 127.50 -1.80 124.00 122.50 40 121.50 - 124.00 122.50 80

MYCE, CME and CSCE are one day in amous INDICES E REUTERS (Barr: 18/931-100)

1376 / 200 1376 71 1377 121

MEP, 28/28 3,550 CFR/FOT MEP - rummad and spiked 28/30 at 3,850 ex-Hamburg, wecsum pack. US signores (shelled) 18/20 MPS 
1985 crop at 6,000 FAS - unusually waters 
weather may cause permission blooming, US 
websop LHP 20% - seedy at 8,150 FAS Caltorial, Indian cacherus raw: 1985 crop, W-320, 
6,775 apot Europe, 5,535 CPR MEP MarchAprit; W-240 80,80 apot Europe, 5,750 CPR MEP 
Merch-Aprit. Turkish hazamat learning, 23/1 
16 standard is, 1995 crop at 2,850 CFR MEP. 
Russian anow white pumpkin seeds; 1985 
crop, long, grade A. at 2,000 FOS MEP; raind, 
2,350 FOS MEP. Desiccated cockrus 30 cents a 
pound Chinese grade A pine learning, 1985 
crop at 5,850, spot UK.

MEAT AND LIVESTOCK IN LIVE CATTLE CALE (AU, MODES; corrected

Bett Drey's Open Price change High Low Vol Int. 83,850 -0.250 84 400 63,800 8,406 12,891 84,175 -0.425 84,750 64,125 8,461 33,808 62,075 -0.175 62,400 61,975 61,375 -0.075 61,525 61,300 62,400 -0.025 62,500 62,200 61,825 +0.025 51.900 61.700 47,275 +0 850 47,350 46,425 3,476 3,772 48,475 +0 800 46,500 46,300 11,456 14,125 51,775 +0,850 51,850 50,776 1,175 8,763 50,650 +0,800 50,675 49,800 457 2,754 IN PORK BELLIES CHE (40,000bs; cents/bs) 1,012

234312 65.500 +0.825 55.900 54.200 85.775 +0.725 56.050 54.350 56.250 +0.600 56.700 55.350 \$6.250 +0.600 \$6.700 \$5.350 \$87 1,843 \$6.325 +0.350 \$6.675 \$5.480 105 1,144 \$3.000 +0.800 \$3.800 ~ 1 236 LONDON TRADED OPTIONS

Striks price \$ souns 165 101 56 I COPPE (Grade A) LIME IN CONTROL LOS 1500 ...... 31 7

LONDON SPOT MARKETS # CRUDE Oil. FOB (per berrel9/km) \$15.48-5.49<del>\*\*</del> \$16.90-6.92

Brant Bland Idahad \$16,65-8,67 +0.040 III OIL PRODUCTS NIVE proupt delivery CF (sorred \$166-1682 \$171-175 Henry Fuel Oil Naphtha Jet fael \$167-16811 \$188-193 \$172-178 0171) 359 8792 d OTHER

Gold four troy cuté Silver four troy cuté \$412.25 +1.25 Platinum (per troy oz.) Paliadium (per troy oz. \$141.00 +1,50 Copper Leed (US prod.) 123.De 41.75c 15.74m Tin (Kusta Lumpur) Tin (New York) 294.500 Cattle (five weight)†
Sheep (live weight)†
Pige (live weight)† 119.610 **-0.31**° T31.50p 110.05p Lon, day sugar (vite) Lon, day sugar (whe \$311.6 \$377.5 121.5u 150.5z Bartey (Eng. feed) Malze (US No3 Yellow) Wheat (US Dark North Una Flubber (Mar)♥ Flubber (Apr)♥ 102 500 -2.00 -2.00 102.50p 376.0m Author (KL RSS Not) \$745.Dy \$507.5y 480.0y 206.Du Coconus Or (Philip

E per Direce princip conorvelle states, la parcentia, c cammily respecting, an Malayaman central, sp. z. anu. 2 feb. y at Mar. Feb.Mar. s. CR/USer Limiton, Physics. S. DF Potamismos Bullion electric close & Sheep Libra weight princip. Charige on week, y Prices supplied by Pelolaum Ango yearstray were verony, correct figures as foliate: Previous Canactes, State-106, 1460; Pelolaum Ango yearstray were verony, correct figures as foliate: Previous Canactes, State-106, 1460; Pelolaum Ango yearstray were verony, correct figures as foliate.

Palm Oil (Malay.)§

Cotton Dutlock'A" index

CROSSWORD

No.8,988 Set by HIGHLANDER

Embarrassed look at cheap whisky from America (6) 8 Send back uncooked food in battle (7)

oral anaesthetic (7) With underwear promise a duelling weapon (5-5) 12 Has a go at Hindi and shows 13 Some singers have a fish one

14 Relegation of the French (formal proposal) (8) 16 Abandoned Foreign Office, our sailors having accepted foreign wine (8)

18 Leaders of grave robbers back financial dishonesty (5)

20 Deliberately miss builder's container (4) 21 For "people" read out "con-23 Put topside to cook (7)

24 Work by lexicographers is cut short, in a manner of speak-25 Died before their broadcast, creating a bother (6)

DOWN 1 Get weapons again, rise and start to mutiny (5) Makes foul passes (7)

26 Force sergeant major to go first, crawling (6) Standard policemen's credit?

5 Permitted by Speaker so as to

6 Standard raised over harboun 7 It was altered to cover part of suit (9) 10 Solidago or bar plant (9) 18 Put obstacles in way of princi-

pal idlot (9) 15 Mother covers girl with one that's metal (9) 17 Drink first, then drink second (7)

19 Special plug in advert on suitable connector for alternatives (7) 21 Top-quality and original brief

22 Black and thin with a point on top (5)

Solution 8.987



11 6

S.A.

range

#### INTERNATIONAL CAPITAL MARKETS

30 WISDWISDWISD

second leg in the Treasury

department's quarterly refund-

maturity spectrum the two-

year note was unchanged at 100% to yield 4.916 per cent.

the auction would be well bid

after Tuesday's successful auc-

tion of \$18.5bn of three-year

its refunding today with the

sale of \$12bn in 30-year bonds. In when-issued trading the

10-year note was yielding 5.65

Activity was light in advance

of the auction and there was

little reaction to data showing

that the US trade deficit fell to

\$7.1bn in November from

at Merrill Lynch, said the trade

figures may have disappointed

investors who were betting

that the US economy would

But the trade figures did sup-

port bonds by boosting the value of the dollar against the

yen and the D-Mark. In early

trading the US currency was

changing hands for DM1.4785

and Y106.15 compared with

DM1.4716 and Y105.25 late on

to \$8.4bn.

down in imports.

alip into recession.

Tuesday.

0.45 0.70 1,04

notes. The Treasury comp

Traders were optimistic that

ing operation.

# German recovery sparks rise in European prices

By Martin Brice in London and Lisa Bransten in New York

European government bond markets opened firmer after overnight Treasury strength and closed at higher levels yesterday. German bonds reversed their exaggerated correction of the past few days and domestic news helped them outperform Treasuries, while other European markets took their cue from Germany. In the US, traders awaited the afternoon auction of 10-year bonds. A successful auction may give a stronger tone to European markets this morning.

■ German government bonds opened healthier on the back of Treasury strength overnight and were helped by unemployment figures that came in slightly higher than some had expected. Suggestions from a Bundesbank council member that interest rates might soon be cut encouraged the short end of the curve.

German unemployment was reported to have risen to a record 4.1m in January, but Mr Julian Jessop, international economist at HSBC Markets in London, said that when the figures were seasonally adjusted, the rise was the same as in December. While other analysts suggested the record unemployment figures put German interest rate cuts back on the agenda, Mr Jessop said: "The Bundesbank's view has always been that the unemployment is structural and cannot be solved by cutting inter-

Shorter-dated bonds seemed heartened by the suggestion of an early cut in rates when Mr Mr Hans Juergen Krupp, a Bundesbank council member. said German M3 money supply growth was still weak and another interest rate cut may

+1. 114 1042
-4 101.6 902
-3 1489 1023
-4 1699 946
-5 1773 1059 947
-5 1773 1059 War tone 3 tone;
-5 1915 1103 War tone 3 tone;
-5 1915 1086 Trees 30 105 65 A6.
-4 1946 1086 Trees 30 105 65 A6.
-4 1946 1056 Carsists 2 tone
-4 1489 1056 Carsists 2 tone
-4 1315 1983 Trees 2 tone

| 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100

10-yearpaper by 5 basis points, with the spread between the two maturities settling around 231 basis points. On Liffe the March 10-year hund future closed at 99.23, up 0.56. The yield spread of 10-year bunds over Treasuries tightened 3

basis points to 32. The December figures for the M3 money supply were revised upwards from 2.5 per cent to 2.7 per cent. which means a change in the January figure would lead to a higher annualised headline rate and so increases the risk of a double-digit headline rate in

■ French government bonds largely tracked bunds although flows were said to be thin. On Matif the March future settled at 122, up 0.10 while

March Pibor closed at 95.59, up

The curve steepened as the vield on one-year paper fell 8 basis points, while on 10-year bonds it tightened I point. The spread over bunds tightened 3 basis points to 43.

#### GOVERNMENT BONDS

■ Italian government bonds closed off their highs in line with bunds as investors watched for signs that an end was in sight to the process of forming a government.

The spread over 10-year bunds rose 1 basis point to 420. and on Liffe the March future rose 0.43 to 112.15.

also tracked bunds, with the yield spread over 10-year paper tightening a basis point to 360.

■ The price action in UK government bonds followed bunds fairly closely and the March future on Liffe hit resistance at

to trade in the 167-175 range. Traders said a good reception to the auction in the US overnight should see the market off to a good start today.

There appeared to be a decision not to move interest rates at the monthly monetary meeting of Mr Kenneth Clarke. chancellor and Mr Eddie George, governor of the Bank of England. The next set of domestic statistics that may move the market is the CBI distributive trades survey, which is due out tomorrow.

The yield on two-year bonds tightened 3 basis points and that on 10-year paper by 5, with the spread between the maturities settling at 134.

The Bank of England said two tranches of index-linked gilts were sold yesterday. They were £100m of the 214 per cent due 2013, sold at £140.12, and £150m of the 4% per cent due 2004, sold at £115.06.

■ Swedish government bonds had a volatile day with the planned SKr3.5bn of five-year auction stock reduced to SKr25bn and the yield on the nine-year benchmark government bond rising to touch 9 per cent, although sentiment later shifted and it closed with the yield at 8.79 per cent, said Mr Niels Skovvart, chief analyst at Unibank Securities.

The market recovered some of its health after the sell-off in recent days, and the spread over 10-year bunds tightened 2 basis points to 273. Yields generally finished lower with 7 basis point falls in the yield on both the one-year bond and the 10-year. The average yield on the auction stock was 8.19 per cent, while the yield on five-year paper fell 10 basis points to 8.19 per cent.

■ US Treasury prices were almost flat in early trading yesterday as dealers prepared for the afternoon auction of \$14bn in 10-year notes that marks the

EL BUND FUTURES OFTIONS (LIFFE) DM250,000 points of 100%

0,70 0.52 0.37

### Interest rate expectations | Lehman Derived from EuroDM contracts, % introduces the 'bear' certificate

By Micholas Denton

Retail investors will be better able to short stockmarkets after the introduction by Lebman Brothers of the "bear certificate", a security which rises in value as shares fall. The US investment bank is issuing DM222m worth of bear certificates based on Ger-many's DAX index. It is also considering similar products based on the CAC, Nikkel and Near midday, the benchmark 30-year Treasury was up 22 at 110% to yield 6.124 per cent,

S&P, the leading indices for the French, Japanese and US stockmarkets. If over the two years to sturity of the certificates the DAX index falls below the reference level of 2,425, the bear certificates increase in value, and they fall as the DAX rises. If the DAX falls 50 per cent,

the bear certificates will

roughly double in price. The issue price is DM22.19, one hundredth of the DAX index, and the certificates are expected to be open to investors with as little as DM2,500 to invest. They will be tradeable; Lehman will make a mar-

ket in the certificates. \$8.2bn in October. Analysts Lehman is also issuing DM243m of bull certificates, had expected the deficit to rise Mr David Bloom of James which increase in value in parallel with the DAX. If the DAX Capel raised his estimate of annualised fourth-quarter GDP doubles, so do the bull certifigrowth to I per cent from 1/2 cates. Citibank and Commerzbank have issued buil certifiper cent because of the slowcates in Germany in the past few months, but Lehman Mr John Spinello, a strategist in government securities believes they are Europe's first

bour certificates.

Price Indices UK Citts

Up to 5 years (22) 5-15 years (21) Over 15 years (5) Irredeematics (6)

In most markets, an investor already has several ways of shorting the stockmarket as a whole, betting on a decline in the index. They can sell futures on the index or buy a put option, which gives the holder the right to sell the underlying product at a preset price. Alternatively, an investor can sell representative sincks which he or she owns or has borrowed.

FT-ACTUARIES FIXED INTEREST INDIGES

123.M 180.06 164.90 188.29

Day's Tue change % Feb 6

+0.13 +0.34 +0.44 +0.45

# BAA launches £260m sterling convertible issue

By Antonia Sharpe

BAA, the UK airports group, yesterday re-opened the sterling convertibles market when it launched a £260m 10-year convertible bond offering, the first deal since early 1994. Pent-up demand for convertible paper was such that the deal was six times subscribed.

The strong response enabled the issuer to set a coupon of 5% per cent, at the bottom end of the 5%-6 per cent range, an achievement which had been uncertain earlier in the week when bond markets fell. The conversion premium was set at 17 91 per cent at the top end of

the 15-18 per cent range. The injection of fresh issuance into the starved convertibles market came at a price to the banks. Fees on BAA's deal were 2 per cent, against the usual 2½ per cent.

#### INTERNATIONAL BONDS

Bankers said the fall in the fees was inevitable after last year's erosion of fees in the primary equity market. UBS acknowledged that the lower fees reflected competition among the banks to win bust-"People were biting their arms ness but added that the level off to get it," said one syndiwas justified by the deal's size, its maturity and the double-A

rating of the issuer. The shortage of issuance caused BAA's bonds, which are callable in five years, to rise to 102 yesterday afternoon from an issue price of par. About 15 per cent of the bonds were sold into the US via a 144A placement, and there was also strong demand from Switzer-land and continental Europe. Less than half of the bonds went to the UK.

Hopes are running high that BAA's offering will encourage

more companies to tap the market which faces heavy withdrawals this year. Last week, Elf Enterprise Finance said it was repurchasing £407.8m worth of exchangeable bonds, the largest buy-back in the market to date. Hanson, which plans to split into four companies, is widely expected to call its £500m convertible bond in the summer.

 $a(x)^{2}$ 

0....

yio:

Among other deals yesterday, DePfa, the German mortgage bank, made a quick return with a second global Pfandbrief offering. The DM1.5bn deal, due 2001, was launched to soak up demand which remained after its first global Pfandbrief offering last week, said Mr Gerhard Bruckermann. DePfa managing board member in charge of

KfW, recently assigned a zero-risk weighting, tapped the Canadian dollar market which faces redemptions of about C\$1.2bn this month and next.

CONTROLLARS	Amount m.	Coupon %	Price	Marrie	· Fees	Spreed top	Book remar
Export-Import Bark of Kores CCCMT 1, S.98-2, Class A(b) SankAmerica Corolch	500. 500 200	(4)\$ 5.625 (c1)	(n)R 99.762R 89.827R	Feb.2006. Mar.2001 Feb.2003	0.25R 0.25R 0.20B		Lehman/Selomon Grothess Deutsche Morgan Grentell Salomon Brothers Inst.
lanco ABN Amro(i)	150	8.125#	99.85R	Feb.1998	1.00R	+330(5%-98)	ABN Amro Hoars Govett
HAARKS (ePtap) (apo international Financis)	1.5bn 300	(cl) (a)	(d)R 99.96	Feb.2001 Mer.2006	0.25R 0.20	+40(574%-00)	Morgan Stanley Bank DG Bank
'EN ianws Finence Arube(1)≠‡	16bn	(11)	190.00	undated	0.30	-	Serve international
PRIMINE IAA(g.si§ Inscher Pinence(si)	260 150	5.754 7,625	100.00 29.407R	Mor.2006 Dec.2003	2.00 0.30R	+25(5%-03)	UBS Drysdiner KS/HSISC Marks
UTLDERS sean Development Bank	400	6.28	100.00F	Mar.2006	0.525R	+17(3%-08)	ABN Amro Hoare Govett
PERICH FRANCIS and Motor Credit Corp	2bn	8.75	99.08R	Mar.2006	0.425P	+40(714%-08)	C.Lyonnais/Merrili Lynch
UXEMBOURG FRANCS W International Finance()	20n	5.75	102.65	Mey.2002	1.875		Crack Europeen-BBL
rallan LONG Islaba Finance Ispfa Bankii)	300bn 150bn	8.75 9.00	100.89 101.01	Mer.1999 Feb.1998	1,375 1,125	:	Bos MPS/IMI LLD/JP Morg Deutsche Morgen Grenfell
ANADIAN DOLLARS W International Finence(s) ank of Nove Scotia	200 125	6.50 6.625	99.90A 99.54R	Dec.2001 Mar.2001	0.25R 0.275R		Dalwa Europe ScotisMoLeod

7.05 7.99 7.99 8.09

0.45 5 yrs 0.00 15 yrs 1.02 20 yrs 0.00 irred.†

2.64 3.12 2.92 2.76

-- Low coupon yield -- -- Medium coupon yield -- -- High coupon yield --Feb 7 Feb 6 Yr. ago Feb 7 Feb 8 Yr. ago Feb 7 Feb 6 Yr. ago

7.09 7.03 8.02

7.03

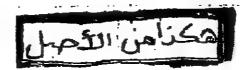
8.49 8.50 5.50

7.10 7.98 8.06

		as un	e 1131	igh of	109%	ang (	Desor:
The curve si yield on two-	reak her	or fol				CTD 194	and own
8 basis point	s and t	hat o	10-ye	, up 😘			
The state of the s		15.18 p. 14.2	N. Commission	and water with	140 374		a train
"WORLD BO	DarRi	CESS					
BENCHMARI	GOVE		DR TNE	WD:S			
	Coupon	Red Date	Price	Day's change	Yield	Week 800	Month ago
Austrolla	10,000	02/06	112,6580	+0.150	8,13	8.17	B.48
Austria	6.600	11/05	98.2300	+0.610	6.75	6.20	6.37
Belgum Canada "	7,000. 8,750	05/08 12/05	103.5600	+0.510	6.51 7.06	6.36	8.66 7.12
Dermark	8.000	03/08	105 1200	+0 580	7.26	7.11	7,25
Frence BTAN OAT	7.600 7.2 <b>5</b> 0	10/00	106 1250 105,4000	+0.100	5.47 6.50	5.37 6.38	5.90 6.65
Germany Bund	6.000	01/05	99.6000	+0.250	6.05	5.80	6 03
relend taly	8,000 10,500	08/05	103.8300	+0.350 +0.420 1	7.46	7,34	7,44 10.63
Japan No 129	6.400	03/00	102,9700 117,33 <b>5</b> 0	+0.090	1.85	1,81	1,63
No 174	4.600	09/04	111.4300	+0.230	2.94	2.99	2.89
Netherlands Portugali	6.000 11.875	01/06 02/05	99,3400 114,2900	+0.420	9.45	5.91 9.40	6.04 9.81
3pein	10,150	01/06	0010LED1	+1.610	9.65	9.54	9.71
Šweden UK Qilbs	6.000 8.000	02/05 12/00	83,1440	+0.370	6.79 6.92	8.33	8.52 6.60
OR GHE	7.500	12/06	104-11 85-31	+6/32 +11/32	7.84	6.82 7.49	7,42
III Terren I	9.000	10/08	109-21	+12/32	7.7 <b>a</b>	7.65	7.57
US Treasury *	5.675 6.875	11/06	101-19 109-31	+1/32	8:56 6.14	5.59	5.64 5.99
ECU (French Govt)	7.500	04/05	103.8900	+0.250	8.91	6.80	6.96
Landon alasing, "New Y T Grass proluting went		10.4				والم أجدا	hyt stander
	T RATE	S		_			
Latinst Prime rain	On Bis Tve	e monin		5.08 Thr	700 Ne year		48
Prime rate	0n 8 <sup>1</sup> 2 Tw 7 Th 5 di 50	e sponin o sionin pe monin		5.26 Fee 5.08 The 4.97 Fee 4.95 10-	700		5.0 5.0 5.0
Lathiet Prime rate	B <sup>1</sup> a Tw 7 Th 5 di Sio · On	e month e stanth me manth e month e year		5.26 Fee 5.08 The 4.97 Fee 4.95 10-	year		5.0 5.0 5.0
Lathest Prime rate Briser four rate	8 <sup>1</sup> 2 On 8 <sup>1</sup> 2 Th 7 Th 5 d So Co	e month	TIONS	5.28 Tex 5.08 Thm 5.09 Thm 4.97 Fire 4.96 10- 4.95 30-	year		5.0 5.0 5.0
Lathest Prime role Broser four rate Fed had?  BOND FUTUI  France NOTIONAL FREE  Creen	Big Two	e month e stonith e stonith e month e your	TIONS 8 (MATIF) Fi	5.26 Tex 5.08 Th 4.97 Rev 4.96 19- 4.85 30-	year	vol.	5.0: 5.0: 5.0: 5.0: 5.0: 5.0: 5.0: 5.0:
Lathet Prime rate Prime rate Pricer tour rate Price Pric	Big Tw 7 Th 5-ft Sb - On RES AN	e month e stanth e stanth e stanth e your e your Chang	TIONS  8 (MATIF) Fi	5.26 Tex 5.09 Tim 4.97 Fee 4.96 19- 4.85 30- Fr500,000 Low 121.9	September 1998	. vol.	5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0 5.0
Labest Prime rate Prime rate Pricer town rate	Big Two	e month e stonith e stonith e month e your	**************************************	5.28 Tex 5.08 Th 4.97 Res 4.96 19- 4.85 30- Fr500,000 Low 121,9 122,3	September 17 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	vol.	5.0: 5.0: 5.0: 5.0: 5.0: 5.0: 5.0: 5.0:
Educat  Prime rate  Prime rate  Pricer born rate  Fred hard?  BORD FUTUI  France  NOTIONAL FREM  Down  122.66  Sep 121.44	941 POOL 122 05 122 28 121 08	PUTURE  Chang +0.11 +0.02  Chang +0.03  Chang +0.03  Chang +0.03  Chang +0.03	8 (MATIF) FI M Hagh 1 122.88 2 121.44	5.28 Tex 5.09 Th 4.97 Res 4.96 19- 4.85 30- Fr500,000 Low 121,9 122,3	September 17 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	. vol.	5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00
Educat Prime rate Prim	Bis TW 7 Th 5d Short Sho	PUTURE Changes +0.11 +0.02 +0.03 +0.03 +0.03 +0.03 +0.03 +0.03	8 (MATIF) FI 122.34 122.56 2 121.44 NS (MATIF)	5.26 Tex 5.08 Th 4.97 Per 4.96 10- 4.85 30- Fr500,000 Low 121.9 122.2 121.2	September 17 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	. vol. 1,909 923 23	Open int 141,728 17,141 2,286
Educat Prime rate Prime rate Pricer tour rate Price tour rate Price tour rate Price tour rate Price E NOTIONAL FRIEN Description 122.26 Jun 122.26 Sup 121.44 E LONG TERM Price Miles M	Bis Two	PUTURE Charge Charge 40.16 40.00 40.	8 (MATIF) FI M Hagh 1 122.88 2 121.44	5.26 Tex 5.09 Tim 4.97 Per 4.96 10- 4.85 30- 121.9 122.2 121.9	System Sy	1, vol. 1,909	5.00 5.00 5.00 5.00 5.00 5.00 5.00 5.00
Edited Prime rate Prime rate Pricer town rate Price Discovery Price Price Mr. 122.26 Jun 122.26 Jun 122.44 Price Mr. 122.66 Mr. 1	BU THE SAN SECOND SECON	PUTURE Charge +0.02 +0.02 -0.02 -0.03 -0.03	** (MATIF) Fig. 122.56 2 122.56 2 121.44 NS (MATIF)  **Sep	5.26 Tex 5.09 Tim 4.97 Feb 10- 4.95 10- 4.95 30- 122 31- 122 31- 122 31- Mar 8.13	System	1, vol. 1,909	Open int 141,728 17,141 2,286
Ethet Pripe rate Pripe rate Pripe rate Price tom rate Price tom rate Price Prince Prince Prince Price Price Price Mar 122.26 Mar 122.44 Price M Price M Price M 1220 1221	Big The First State Stat	PUTURE Charge Charge 40.16 40.00 40.	8 (MATIF) FI 96 High 0 122.34 122.66 2 121.44 NB (MATIF)	5.26 Tex 5.09 Tim 4.97 Per 4.96 10- 4.85 30- 121.9 122.2 121.9	System Sy	1. vol. 1.909	Open int 141,728 17,141 2,286
BOND FUTUI  France  Notice tour rate	GH BOND Sett proci 122 95 121.08 121.	PUTURE Change +0.11 +0.02 +0.02 -0.07 -1.02 -1.0	8 (MATIF) File Hagh 1 122,98 2 121,44 NB (MATIF) Sep	5.26 Tem 5.09 Thin 4.97 Feb. 4.96 10- 4.95 30- 121.9 121.9 122.2 121.2 Mar 5.13 0.29	Est 4 17: 4 5 0 0 7.7	1. vol. 1.909	Open int 141,728 17,141 2,286
Prime role Prime M  LONG TERIM PRIME Prime M  122 0.0 122 0.1 123 0.1 124 0.1	BIJ THE TOTAL THE T	PUTURE  Change  OPTION	## MATIF) FI  ### MATIF)  ### MATIF)  ### MATIF)	5.26 Tem 5.08 Tem 4.97 Feb. 4.96 10- 4.95 30- 121.9 122.2 121.2 Mar Mar 0.29 0.64 1.23	For July 1988 — PUT July 1988	1. vol. 1.909 555 135 14 4	Open int 141,728 17,141 2,286
Prime role Prime M  LONG TERIM PRIME Prime M  122 0.0 122 0.1 123 0.1 124 0.1	BIJ THE TOTAL THE T	PUTURE  Change  OPTION	## MATIF) FI  ### MATIF)  ### MATIF)  ### MATIF)	5.26 Tem 5.08 Tem 4.97 Feb. 4.96 10- 4.95 30- 121.9 122.2 121.2 Mar Mar 0.29 0.64 1.23	For July 1988 — PUT July 1988	1. vol. 1.909 555 135 14 4	Open int 141,728 17,141 2,286
Labori  Prime rate Brown burnate Fed had?  France B NOTIONAL FREM Draw 122.06 Sep 121.44 B LONG TERM PRI Schille 122 0.1 122 0.1 123 0.1 124 0.1 124 0.1 124 0.1 124 0.1 124 0.1 125 0.1 125 0.1 126 0.1 127 0.1 128 0.1 128 0.1 128 0.1 129 0.1 129 0.1 120 0.1 120 0.1 121 122 0.1 123 0.1 124 0.1 125 0.1 125 0.1 126 0.1 127 0.1 128 0	By The	PUTURE Change +0.11 +0.02 +0.02 	**S (MATIF) Fi  **PRE	5.26 Tex 5.09 Tim 4.97 First 10- 4.96 10- 4.95 30- 122 31- 122 31- 122 31- 123 0.29 0.64 1.23 1.23 1.23 1.23 1.23 1.23 1.23 1.23	PUT July 0.7-	1. vol. 1.509	Open int 141,728 17,141 2,286
Edited  Prime rate Prime rate Pricer tum rate Price tum Price	BUT THE SAN SCH BOND Set process 122.08 122.	PUTURE Chary +0.02 +0.02 -0.02 -1.03	(MATIF) Fig. 122.56 2 122.56 2 121.44 NS (MATIF) Sep. 10.66 day's or	5.26 Tex 5.09 Tim 4.97 Feb. 10- 4.95 10- 4.95 10- 4.95 10- 4.95 10- 1.29 122.2 121.20 Mar 5.13 0.29 0.64 1.23 1.23	Year	1, vol. 1, 1909 553 33 4 Pun of 100	Open int 141,728 17,141 2,286
Lathest Prime role Briser bour rate Fred hard?  Prime role Briser bour rate Fred hard?  Prime role Briser bour rate Fred hard?  Prime role Briser bour rate Character of the role Character of the rol	GCH BOND Sett process 122.00 122.28 121.06 ENCH BOND CA MY J MAN BUND Sett price	PUTURE  Chang  O PTIONE  Chang  Chang  O PTIONE  Chang  Ch	TIONS  8 (MATIF) Fi per High 1 122.58 2 121.44 NS (MATIF)  Sep Hous day's of	5.26 Tex 5.09 Tim 4.97 First 10- 4.96 10- 4.95 30- 1.28 30- 1.22 3121.28 Mar 5.122 3121.28 Mar 5.123 123 123 123 123 123 123 123 123 123	PUTI July 1000ths 1000ths Est	1 vol. 1,1009	Open int 141,728 3.00 3.00 3.00 3.00 3.00 3.00 3.00 3.0
Lithest Prime rate Bricer burn rate Fred hard? Fred har	BUT THE SAN SCH BOND Set process 122.08 122.	PUTURE Chary +0.02 +0.02 -0.02 -1.03	S (MATIF) F  122.54 122.54 122.54 123.44 NS (MATIF)  Sop	5.26 Tex 5.09 Tim 4.97 Feb. 10- 4.95 10- 4.95 10- 4.95 10- 4.95 10- 1.29 122.2 121.20 Mar 5.13 0.29 0.64 1.23 1.23	1000th   1	1, vol. 1, 1909 553 33 4 Pun of 100	Open int 141,728 17,141 2,286

		LIFFE				_				_				_
	Ma			0pen 12.10	Sett 112	-	Chan	-	ligh 2.32	Low		st. voi 14299		
	Jur	_		11.70	112		+0.3		1.70	111.7		244		1490 598
	-						FUTUR					_		
	_		91 90		_	_		- P - P - P - P - P - P - P - P - P - P		_	_	_		
	Str				Mar	GAL	18	lun		Mar	P(	<b>л</b> в ~		
		1000			_					-			JUN .	
	112				0.83 1.60			.01 .78		0,81 1,0 <b>6</b>			2.74 2.74	
	113				3.41			57		1.00			3.03	
			Mail, Cal			247B F	Provided .		in mi_ (		80 Put			
•	F)	e in												
		NOTIC	HAL	SPANS	BH BC	OND F	UTUR	S (MEF	P)					
			-	)pen	Sett	orice	Chanc	• H	ligh	Low	E	st vol.	One	n int
	Ma	r		5.03		.03	+0.3	,-	1.32	95.75		9.907		842
•	Ju		_	-	96.	.67	_		_	_		250		53
	Ш	C.												
	<b>6</b> 1	NOTIC	MAL	UK GI	LT RJ	TURE	\$ (LIFFE	D: 050.0	00 32n	ds of 1	00%			
				)pen			Chang	_		Low			^	
	Ma	_		19-08	109	•	+0-12		igh 1-16	_	_	st. val		
	ju			19-23	108		+0-12		-10	109-04		9952 571		1047 175
							NS (LIF					371		., .
	Sari		_		_	_	LS					TB -		_
	Pine			,ler	Apr		May	Jun	Mai		ie pu	πaş.∽ Mey	اء	lun
1	100	-		-57	0-63		1-23	1-42	0-36		29 29	1-83		-08
į	110			27	0.38		1-61	1-14	1-09		04	2-27		44
	111			10	0.22	Ö	1-41	0-56	1450	2-	52	3-07		22
	ĒJ.	eal to	tal. Cal	Ŀ 4362	Puts 1	104), P	Jantone o	day's ope	n int C	als 405	86 Puis	30746		
	_													
	E													
		ech s	OND	יעועיו	128 (1	AATIF)	ECU10	-,						
			C	pen	Sett	pnçe	Chang	e H	igh	Low	2	at vol.	Оре	n int,
	Mar	r	9	1,00	90.	96	+0.24	91	.10	90,90	4	1,864	8,0	183
	U	5												
	<b>a</b> 1										1900			
		JS TR	EAQU	RY BC	WD F	JTUR	ES (CB)	) \$100J	100 32 <sub>1</sub>	100 OI I	~			
	=-	JS TR		_								t uni.	Oner	int.
			0	pen	Late	est	Chang	a H	igh .	Low	Es	L vol.		
	No.	,	11	_		esit -31		a H			Es	L vol. 15,773		798
	Ma		11:	peri 9-27	Late 119	esit -31 -15	Chang +D-07	120 119	igh 1—104	Low 119-2	Es 24	5,773	326	,796 321
	Mar Jun		11:	pen 9-27 9-10	Late 119- 119-	esit -31 -15	Chang +D-07 +0-07	120 119	igh 1—104 1—19	Low 119-25 119-05	Es 24	5,773 1,810	326, 44,	,796 321
	hide Jun Sep		11: 11:	pen 9-27 9-10	Late 119- 119-	esit -31 -15	Chang +D-07 +0-07	120 119	igh 1—104 1—19	Low 119-25 119-05	Es 24	5,773 1,810	326, 44,	,796 321
	Military Juri Sep	pon	11: 11:	pen 9-27 9-10 9-00	119- 119- 118-	est -31 -15 -27	+0-07 +0-07 +0-05	n H 120 119 119	igh 1-04 1-19 1-00	Low 119-25 119-05 118-25	Es 24	5,773 1,810	326, 44,	,796 321
	Military Jun Sep	pon entro	0 11: 11: 11:	pen 9-27 9-10 9-00	Late 119- 119- 118-	-31 -15 -27	Chang +0-07 +0-05 +0-05	n H 120 119 119	igh 1-04 1-19 1-00	Low 119-25 119-05 118-25	Es 24	5,773 1,810	326, 44,	,796 321
	Military Jun Sep	pon entro	0 11: 11: 11: 11: Y100	peri 9-27 9-10 9-00	Late 119- 119- 118-	-31 -15 -27	Chang +0-07 +0-05 +0-05	9 H 120 115 116	igh 1-04 1-19 1-00	Low 119-25 119-05 118-25	Es 24	5,773 1,810	326, 44, 5,9	,796 321 02
	Military Jun Sep	pan actio UFFE)	0 11: 11: 11: 11: Y100 0	peri 9-27 9-10 9-00 m 100 pen 0.18	Late 119- 118- 118- TE-settes of	-31 -15 -27	Chang +0-07 +0-05 +0-05	120 119 119 119 120 120	gh 1-04 1-19 1-00 SCND	Low 119-23 119-05 118-21 PATUS Low 120,12	Es 24	15,773 1,810 110	326, 44, 5,9	,796 321 02 1 let.
	Mar Jun	pon eatio UFFE)	0 11: 11: 11: Y100 0 12:	peri 9-27 9-10 9-00 m 100 pen 0.18 5.88	Late 119- 118- 118- 118- 118- 118- 118-	-31 -15 -27 -27 100%	Chang +0-07 +0-05 +0-05	120 119 119 119 120 118	gh 1-04 1-19 1-00 SCND gh 1-24 1-74	Low 119-25 119-05 118-25 FUTUS Low 120,12 118,62	Es 24	5,773 2,810 110	326, 44, 5,9	,796 321 02 1 let.
	Mar Jun	pon eatio UFFE)	0 11: 11: 11: Y100 0 12:	peri 9-27 9-10 9-00 m 100 pen 0.18 5.88	Late 119- 118- 118- 118- 118- 118- 118-	-31 -15 -27 -27 100%	Chang +0-07 +0-05 +0-05	120 119 119 119 120 118	gh 1-04 1-19 1-00 SCND gh 1-24 1-74	Low 119-25 119-05 118-25 FUTUS Low 120,12 118,62	Es 24	15,773 1,810 110 110	326, 44, 5,9	,796 321 02 1 let.
	Mar Jun	pon eatio UFFE)	0 11: 11: 11: Y100 0 12:	peri 9-27 9-10 9-00 m 100 pen 0.18 5.88	Late 119- 119- 118- 118- TES of Cao	est -31 -15 -27 100%	Chang +0-07 +0-05 +0-05 ANESE	1 H 1 120 7 119 6 116 116 120 118 Heres in	gh 1-04 1-19 1-00 SCND gh 1-24 1-74	Low 119-25 119-05 118-25 FUTUS Low 120,12 118,62	Es 24 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	15,773 1,810 110 110	326, 44, 5,9	,796 321 02 1 let.
	Mar Jun	pon eatio UFFE)	0 11: 11: 11: Y100 0 12:	peri 9-27 9-10 9-00 m 100 pen 0.18 5.66 m trade	Late 119- 119- 118- 118- TES of Cao	est -31 -15 -27 100%	Chang +0-07 +0-05 +0-05	1 H 1 120 7 119 6 116 116 120 118 Heres in	gh 1-04 1-19 1-00 SCND gh 1-24 1-74	Low 119-23 119-03 118-21 118-21 120-12 120-12 118-62 1 perce	Es 24 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	15,773 1,810 110 110 R. vol	326, 44, 5,9 Oper 0	,796 321 02 1 let.
	Mar Jun	pon eatio UFFE)	0 11: 11: 11: Y100 0 12:	9-27 9-10 9-00 10 9-00 10 10 10 10 10 10 10 10 10 10 10 10 1	Late 119- 119- 118- 118- TES of Cao	est -31 -15 -27 100%	Chang +0-07 +0-05 +0-05 ANESE	1 H 1 120 7 119 6 116 116 120 118 Heres in	gh 1-04 1-19 1-00 SCND gh 1-24 1-74	Low 119-23 119-03 118-21 118-21 120-12 120-12 118-62 1 perce	Es 24 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	15,773 1,810 110 110 R. vol	326, 44, 5,9 Oper 0	,796 321 02 1 let.
	Mari	pon eatio UFFE)	O 11: 11: 11: Y100 O 12: 11:	9-27 9-10 9-00 m 100 pen 0.18 8.68 in trade	Late 119- 119- 118- 118- TES of Cao	est -31 -15 -27 100%	Chang +0-07 +0-05 +0-05 ANESE	1 H 1 120 7 119 6 116 116 120 118 Heres in	gh 1-D4 1-19 1-00 SCNID gh 1-24 1-74 3. me to	Low 119-25 119-05 118-25 FUTUR Low 120.12 118.62 F press	Es 24 2 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3	15,773 1,810 110 110 R. vol 2116 735	326, 44, 5,9 Oper 0	,796 321 02 1 let.
F	Man Sep In I	PE his	O 11: 11: 11: 11: 11: 11: 11: 11: 11: 11	9-27 9-10 9-00 1.00 1.00 1.18 5.88 1.18 1.18	Late 119- 118- 118- 118- 118- 118- 118- 118-	100%	Change +0-07 +0-05 +0-05 Change Open in	120 119 116 116 118 120 118 120 118	gh 	Low 119-25 119-05 118-25 FUTUR Low 120.12 118.62 F press	Es 24 2 3 1 2 3 4 2 3	15,773 1,810 110 110 R. vol 2116 735	328, 443, 5,9	798 321 02
	Maria Sep In I	Prost 1964	O 11: 11: 11: 11: 11: 11: 11: 11: 11: 11	9-27 9-10 9-00 m 100 pen 0.18 5.88 a trade	Late 119-118-118-118-118-118-118-118-118-118-	-31 -15 -15 -27 100%	Chang +0-07 +0-07 +0-05  ANESE Chang	120 116 116 116 116 116 116 116 116 116 11	Igh -D4 -19 -00 BOND Igh 24 74 a. ure fo	Low 119-21 119-01 118-21 118-21 118-21 118-21 118-21 118-62 1 previous	Es 24 2 2 3 Es 2 m day.	15,773 1,870 110 110 R. vol 1116 735	326, 44, 5,9 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0	798 321 02 1 let.
Partie R	Maria Sep Maria Maria Unit	PE his	O 11: 11: 11: 11: 11: 11: 11: 11: 11: 11	9-27 9-10 9-00 1.00 1.00 1.18 5.88 1.18 1.18	Late 119- 118- 118- 118- 118- 118- 118- 118-	-31 -15 -27 100% 50	Chang +0-07 +0-07 +0-08  ANEX Chang Chang	120 119 116 116 118 120 118 100 118	gh -D4 -19 -00 <b>SOND</b> gh -24 -74 	Low 119-25 119-05 118-21 118-21 120,12 118,62 r perro	Es 24 2 2 3 Es 2 m day.	15,773 1,870 110 110 R. vol 1116 735	326,3 6.9 Oper 0 0	796 321 02 1 int.
7 R	Maria Sapana Maria	Proof to	O 11: 11: 11: 11: 11: 11: 11: 11: 11: 11	peri 9-27 9-10 9-00 m 100 pen 0.18 8.88 a trade	Late 119 119-118-118-118-118-118-118-118-118-118-	-31 -15 -27 100% -27 -27 -27 -28 -28 -27 -29 -27 -29	Change +0-05 +0-07 +0-05 ANSES Change To See 107  C	120 119 119 119 119 120 118 120 118 127 19 173 173 173 174	gh 1-04 1-19 1-00 SCNID SCNID 136 136 294 136 294	Low 119-23 119-05 118-21 118-21 120,12 118.62 118.62 1 perco	Es 24 2 2 3 Es 2 m day.	15,773 1,870 110 110 R. vol 1116 735	326,3 6.9 Oper 0 0	796 321 02 1 int.
70-141 FI 77 77 77	Maria Ma Maria Maria Maria Maria Maria Maria Maria Maria Maria Maria Ma Maria Ma Ma Maria Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma	Proof to	O 11: 11: 11: 11: 11: 11: 11: 11: 11: 11	Peri 9-27 S-10 9-00 Peri 100 P	Late 1199 116-118-118-118-118-118-118-118-118-118-	100% 100% 100% 100%	Change +0-07 +0-07 +0-05	120 119 119 119 119 120 118 120 118 127 127 137 137 137 137 137 137 137 137 137 13	gh 1-04 1-19 1-00 1-19 1-00 1-00 1-00 1-00 1-00 1-00 1-00 1-00	Low 119-25 119-05 118-25 118-25 120-12 120-12 178-62 17 percent	Es 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	15,773 1,810 110 110 1116 735	326,3 6.9 Oper 0 0	796 321 02 1 int.
7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Maria Ma Maria Maria Maria Maria Maria Maria Maria Maria Maria Maria Ma Maria Maria Maria Maria Maria Maria Maria Maria Maria Maria Maria Maria Ma Ma Maria Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma Ma	Pros £ 1964. 99 1001; 17213 10555	00 11: 11: 11: 11: 11: 11: 11: 11: 11: 1	peri 9-27 9-10 9-00 9-00 mr 100 0,18 5.86 in trade 1093 1093 1093 1093 1093 1093	Late of 119 of 118 of 1	-31 -15 -27 100% 100% 50 20; 22 22, 22 24, 24, 24, 25 24, 25 25, 25 26, 25 27, 25 26, 25 27, 25 27, 25 28, 26 28, 26 26 26, 26 26, 26 26, 26 26, 26 26, 26 26, 26 2	Change +0-07 +0-05	120 119 116 116 116 120 118 120 118 120 118 120 118 120 118 120 118 120 120 120 120 120 120 120 120 120 120	gh   -04   -19   -00	Low 120,12 (G) Further 120,12 (G	Es 20 20 20 20 20 20 20 20 20 20 20 20 20	8,773 2,810 110 110 116 7735	326, 443, 5.9 443, 5.9 60 60 60 60 60 60 60 60 60 60	798 321 02 102 203 107 107 107 107 107 107 107 107 107 107
7 min R	Main Sept Market Sept Sept Sept Sept Sept Sept Sept Se	Pros E 1964. 9 10015 1175 1175 1175 1175 1175 1175 117	0 11: 11: 11: 11: 11: 11: 11: 11: 11: 11	peri 9-27 9-10 9-27 9-10 9-00 pen m 100 pen 0, 18 8.88 pen 100	Late 119 118-118-118-118-118-118-118-118-118-118	-31 -15 -27 100% 100% 100% 100%	Change +0-07 +0-05 ANEXE Change -0-05 -0-0	121 115 116 116 116 116 116 116 116 116 11	gh -04 -19 -00 -00 -00 -10 -10 -10 -10 -10 -10 -10	Low 120,12 mp. 120,12	Es 20 20 20 20 20 20 20 20 20 20 20 20 20	5,773 1810 1110 1116 1116 1116 1116 1116 1116	326, 443, 5.9 Oper 6 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	798 321 02 203 103 103 103 103 103 103 103 103 103 1
7	Married September 19 September	Provide the state of the state	0 0 11: 11: 11: 11: 11: 11: 11: 11: 11:	Peri 9-27 S-10 9-00 Peri 100 S-10 Peri 100 S	Late 1199 118-118-118-118-118-118-118-118-118-118	-31 -15 -27 100% 100% 100% 100%	Change +0-07 +0-05 ANEXE Change -0-05 -0-0	120YT. 12	gh 1-04 1-19 1-19 1-19 1-19 1-19 1-19 1-19 1-1	Low 120,12 mp. 120,12	Es 20 20 20 20 20 20 20 20 20 20 20 20 20	5,773 1810 1110 1116 1116 1116 1116 1116 1116	326, 443, 5.9 Oper 6 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	796 321 02 02 102 103 103 103 103 103 103 103 103 103 103
T 77 77 77 77 77 77 77 77 77 77 77 77 77	Married September 19 September	Pros E 1964. 9 10015 1175 1175 1175 1175 1175 1175 117	0 111 111 111 111 111 111 111 111 111 1	Peri 9-27 9-10 9-27 9-10 9-00 10 100 100 100 100 100 100 100 100 1	Late 119-118-118-118-118-118-118-118-118-118-	20 20 20 20 20 20 20 20 20 20 20 20 20 2	Change +0-07 +0-05	121 116 116 116 116 116 116 116 116 116	gh 04 19 00 19 00 19 00 19 00 12	Low 119-2: 119-2: 119-2: 119-2: 118-2: 118-2: 118-2: 118-2: 128-2: 118-2: 128-2	216.8 1775 1775 1775 1775 1775 1775 1775 177	5,773 1810 1110 1116 1116 1116 1116 1116 1116	326, 44, 5.9 Coper 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	796 321 02 205 106 106 106 106 106 106 107 106 107 108 107 108 108 108 108 108 108 108 108 108 108
T 77 77 77 77 77 77 77 77 77 77 77 77 77	Marin Sept	Pros E 1964. 99 100% 125% 125% 100% 100% 1125% 100% 1125% 100% 1125% 100% 100% 100% 100% 100% 100% 100% 10	0 0 11: 11: 11: 11: 11: 11: 11: 11: 11:	Peri 9-27 S-10 9-00 Peri 100 S-10 Peri 100 S	Late 1199 118-118-118-118-118-118-118-118-118-118	20 20 20 20 20 20 20 20 20 20 20 20 20 2	Change +0-07 +0-05 ANEXE Change -0-05 -0-0	121 116 116 116 116 116 116 116 116 116	gh 1-04 1-19 1-19 1-19 1-19 1-19 1-19 1-19 1-1	Low 120,12 mp. 120,12	Es 20 20 20 20 20 20 20 20 20 20 20 20 20	8,773 2,810 110 110 116 7735	326, 443, 5.9 Oper 6 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	796 321 02 205 106 106 106 106 106 106 107 106 107 108 107 108 108 108 108 108 108 108 108 108 108
T 77 77 77 77 77 77 77 77 77 77 77 77 77	Marin Sept	Pros E 1964. 99 100% 125% 125% 100% 100% 1125% 100% 1125% 100% 1125% 100% 100% 100% 100% 100% 100% 100% 10	0 111 111 111 111 111 111 111 111 111 1	Peri 9-27 9-10 9-27 9-10 9-00 10 100 100 100 100 100 100 100 100 1	Late 119-118-118-118-118-118-118-118-118-118-	######################################	Change +0-07 +0-05 +0-07 +0-05 +0-07 +0-05 +0-07 +0-05 +0-07	120 H	gh - 04 - 19 - 00 - 19 - 00 - 19 - 00 - 19 - 00 - 19 - 00 - 19 - 00 - 19 - 00 - 19 - 19	Low 119-2: 119-0	En 200 200 200 200 200 200 200 200 200 20	5,773 2510 1110 R. vol 1110 1110 1110 1110 1110 1110 1110 11	326,443,5,6 443,5,6 6,6 6,6 6,6 6,6 6,6 6,6 6,6 6,6 6,6	796 321 02 283 165 165 165 165 165 165 165 165 165 165
T 77 77 77 77 77 77 77 77 77 77 77 77 77	Marin Sept	Pros E 1964. 99 100% 125% 125% 100% 100% 1125% 100% 1125% 100% 1125% 100% 100% 100% 100% 100% 100% 100% 10	0 111 111 111 111 111 111 111 111 111 1	Peri 9-27 9-10 9-27 9-10 9-00 10 100 100 100 100 100 100 100 100 1	Late 119-118-118-118-118-118-118-118-118-118-	-31 -45 -27 -27 -1009 -1	Change +0-07 +0-05	12/19/19/19/19/19/19/19/19/19/19/19/19/19/	gh - D4 - 199 00 - 00	Low 119-20 119-20 119-20 118-20 128-2	24 24 25 24 25 25 25 25 25 25 25 25 25 25 25 25 25	5.773 2.810 110 110 110 110 110 110 110 110 110	326,443,658 443,658 000000000000000000000000000000000000	796 321 02 102 207 105 105 105 105 105 105 105 105 105 105
T 77 77 77 77 77 77 77 77 77 77 77 77 77	Marin Sept	Pros E 1964. 99 100% 125% 125% 100% 100% 1125% 100% 1125% 100% 1125% 100% 100% 100% 100% 100% 100% 100% 10	0 111 111 111 111 111 111 111 111 111 1	Peri 9-27 9-10 9-27 9-10 9-00 10 100 100 100 100 100 100 100 100 1	Late 119-118-118-118-118-118-118-118-118-118-	-31 -45 -27 -27 -1009 -1	Change +0-07 +0-05	120 H	125   125	Low 119-20 119-20 119-20 118-20 128-2	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 2.810 110 110 110 110 110 110 110 110 110	326, 44, 5, 8 6, 6, 8 6, 8 6, 8 6, 8 6, 8 6, 8	796 321 C2 205 165 165 165 165 165 165 165 165 165 16
R 77.77.77.77.77.77.77.77.77.77.77.77.77.	Marin Sept	Pros E 100 100 100 100 100 100 100 100 100 1	0 0 11 11 11 11 11 11 11 11 11 11 11 11	Peri 9-27 9-10 9-27 9-10 9-27 9-10 9-00 Peri 100 Peri 100	Later 119-119-119-119-119-119-119-119-119-119	-31 -45 -27 -27 -100% -1	Change +0-07 +0-05	120 H	125   125	Low 119-20 119-20 119-20 118-20 128-2	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 2.810 110 110 110 110 110 110 110 110 110	326, 44, 5, 8 6, 6, 8 6, 8 6, 8 6, 8 6, 8 6, 8	796 321 C2 205 165 165 165 165 165 165 165 165 165 16
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Man 19 19 19 19 19 19 19 19 19 19 19 19 19	Pros £ 100%	0 0 11 11 11 11 11 11 11 11 11 11 11 11	Peri 9-27 9-10 9-27 9-10 9-27 9-10 9-00 Peri 100	Late 119-119-119-119-119-119-119-119-119-119	-31 -45 -27 -27 -1009 -1	Change +0-07 +0-05	120 H	125   125	Low 119-20 119-20 119-20 118-20 128-2	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 2.810 110 110 110 110 110 110 110 110 110	326, 44, 5, 8 6, 6, 8 6, 8 6, 8 6, 8 6, 8 6, 8	796 321 C2 205 165 165 165 165 165 165 165 165 165 16
7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Mannes Ma	Pros E 1054 99 1005 1273 1054 10713 1071 1071 1071 1071 1071 1071 107	0 (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	Peri 9-27 9-10 9-27 9-10 10 9-27 10 9-20 10 9-	Late 119-119-119-119-119-119-119-119-119-119	### ##################################	Change +0-07 +0-05	120VT. 1116 120VT. 120V	gh - 04 - 19 gh - 00 gh - 02 4 7.74 . m o 10 12 12 12 12 12 12 12 12 12 12 12 12 12	Low 119-20 119-20 119-20 118-20 118-20 129 138-20 129 139 139 139 139 139 139 139 139 139 13	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 2.810 110 110 110 110 110 110 110 110 110	326, 44, 5, 8 6, 6, 8 6, 8 6, 8 6, 8 6, 8 6, 8	796 321 C2 205 165 165 165 165 165 165 165 165 165 16
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Man 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Pros E 100%	O 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri 9-27 9-10 9-27 9-10 9-27 9-10 9-27 9-10 9-00 10 10 10 10 10 10 10 10 10 10 10 10 1	Late 119-118-118-118-118-118-118-118-118-118-	### ##################################	Change +0-07 +0-05	120VT. 1116 120VT. 120V	gh - 04 - 19 gh - 00 gh - 02 4 7.74 . m o 10 12 12 12 12 12 12 12 12 12 12 12 12 12	Low 119-20 119-20 119-20 118-20 118-20 129 138-20 129 139 139 139 139 139 139 139 139 139 13	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 2.810 110 110 110 110 110 110 110 110 110	326, 44, 5, 8 6, 6, 8 6, 8 6, 8 6, 8 6, 8 6, 8	796 321 C2 205 165 165 165 165 165 165 165 165 165 16
7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Man Sept Man	Pros E 1054 99 1005 1273 1054 10713 1071 1071 1071 1071 1071 1071 107	0 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri 9-27 9-10 9-27 9-10 10 9-27 10 9-20 10 9-	Late 119-119-119-119-119-119-119-119-119-119	### ##################################	Change +0-07 +0-05	120VT. 1116 120VT. 120V	gh - 04 - 19 gh - 00 gh - 02 4 7.74 . m o 10 12 12 12 12 12 12 12 12 12 12 12 12 12	Low 119-20 119-20 119-20 118-20 118-20 129 138-20 129 139 139 139 139 139 139 139 139 139 13	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 2.810 110 110 110 110 110 110 110 110 110	326, 44, 5, 8 6, 6 6, 6 6, 6 6, 6 6, 6 6, 6 6,	798 321 102 203 102 203 103 103 103 103 103 103 103 103 103 1
7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Manager Manage	Proof 100% 100% 100% 100% 100% 100% 100% 100	0 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri 9-27 9-10 9-27 9-10 9-27 9-10 9-00 Peri 100 Peri 100 9-00 Peri 100 Peri	Later 119-119-119-119-119-119-119-119-119-119	### ##################################	Change +0-07 +0-05	120VT. 1116 120VT. 120V	gh - 04 - 19 gh - 00 gh - 02 4 7.74 . m o 10 12 12 12 12 12 12 12 12 12 12 12 12 12	Low 119-20 119-20 119-20 118-20 128-2	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 2.810 110 R. vol 110 P. vol 110 P. vol 110 P. vol 1110 P. vo	326, 44, 5, 8 6, 6, 8 6, 8 6, 8 6, 8 6, 8 6, 8	798 321 102 203 102 203 103 103 103 103 103 103 103 103 103 1
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Manager Manage	Pros £ 1064. 99 100% 100% 100% 100% 100% 100% 100% 1	0 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri Peri Peri Peri Peri Peri Peri Peri	Later 119-119-119-119-119-119-119-119-119-119	est -31 -45 -27 -27 -27 -27 -27 -27 -27 -27 -27 -27	Change +0-07 +0-05	120 1116 1116 1116 1116 1116 1116 1116 1	1.25   1.25	Low 119-20 119-20 119-20 118-20 118-20 128-25 138-2	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 2.810 110 110 110 110 110 110 110 110 110	326, 443, 5.8 Operation of the control of the contr	798 321 (02 ) 1 int. Land 1975 (1971 ) 1975
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Manager Manage	Proof 100% 100% 100% 100% 100% 100% 100% 100	0 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri 9-27 9-10 9-27 9-10 9-27 9-10 9-00 Peri 100 Peri 100 9-00 Peri 100 Peri	Late 119-118-118-118-118-118-118-118-118-118-	est -31 -45 -27 -27 -27 -27 -27 -27 -27 -27 -27 -27	Change +0-07 +0-05	120 111 111 111 111 111 111 111 111 111	126   127   128	Low 119-20 119-20 119-20 118-20 128-2	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 2.810 110 110 110 110 110 110 110 110 110	326, 443, 5.8 Control of the control	798 321 22 202 202 202 202 202 202 202 202 20
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Manager Manage	Proof 100% 100% 100% 100% 100% 100% 100% 100	0 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri 9-27 9-10 9-27 9-10 9-27 9-10 9-00 Peri 100 Peri 100 9-00 Peri 100 Peri	Late 119-118-118-118-118-118-118-118-118-118-	-31 -45 -27 -27 -4 -27 -27 -27 -27 -27 -27 -27 -27 -27 -27	Change 40-07 40-05	120 111 111 111 111 111 111 111 111 111	9h -04 -19 9h -09 9h -0	Low 119-2: 119-2: 119-2: 119-2: 119-2: 119-2: 118-2	En 24  2 2  2 11725- 11	5.773 2.810 110 110 110 110 110 110 110 110 110	326, 443, 5.8 Control of the control	798 321 022 022 022 022 022 022 022 022 022 0
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Manager Manage	Proof 100% 100% 100% 100% 100% 100% 100% 100	0 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri 9-27 9-10 9-27 9-10 9-27 9-10 9-00 Peri 100 Peri 100 9-00 Peri 100 Peri	Late 119-119-119-119-119-119-119-119-119-119	-31 -45 -27 -27 -27 -27 -27 -27 -27 -27 -27 -27	Change 40-07 40-05	1200 112 112 112 112 112 112 112 112 112	90 1-00 1-00 1-00 1-00 1-00 1-00 1-00 1-	Lot 119-2: 119-2: 119-2: 119-2: 119-2: 119-2: 119-2: 118-2	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	15,773 110 110 110 110 110 110 110 110 110 11	326, 44, 5, 9 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	798 321 (122 ) (122 ) (123 ) (
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Manufacture of the state of the	Proof: 1054, 99 1005, 1056 1005, 100	0 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri Peri Peri Peri Peri Peri Peri Peri	Late 119-119-119-119-119-119-119-119-119-119	-31 -45 -27 -27 -27 -27 -27 -27 -27 -27 -27 -27	Change 40-07 40-05	1200 112 112 112 112 112 112 112 112 112	1.25   1.25	Low 119-2: 119-2: 119-2: 119-2: 119-2: 119-2: 118-2	En 244 1105 1105 1105 1105 1105 1105 1105 11	15,773 110 110 110 110 110 110 110 110 110 11	326, 44, 5, 9 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	798 321 (122 ) (122 ) (123 ) (
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Manager Manage	Proof: 100%,	O 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri Peri Peri Peri Peri Peri Peri Peri	Late 119-110-110-110-110-110-110-110-110-110-	est -31 -45 -27 -35 -45 -27 -35 -35 -35 -35 -35 -35 -35 -35 -35 -35	Change +0-07 +0-05	1200 112 112 112 112 112 112 112 112 112	1.25	Low 119-20 119-20 119-20 119-20 118-20 118-20 129 138-20 129 139 139 139 139 139 139 139 139 139 13	En 2 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 2.810 110 110 110 110 110 110 110 110 110	326, 443, 5.8 Coperation of the coperation of th	798 321 (62 ) 164 ) 165
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Manufacture of the state of the	Proof 100% 100% 100% 100% 100% 100% 100% 100	O 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri Peri Peri Peri Peri Peri Peri Peri	Late 119 119 119 119 118 118 119 118 118 118	Lander of Section 150 7. Control of Section	Change +0-07 +0-05	### 120   116   120   12	10   10   10   10   10   10   10   10	Low 119-20 119-20 119-20 119-20 118-20 128-21 118-20 12 118-20 12 118-20 12 118-20 12 118-20 12 118-20 12 118-20 12 12 12 12 12 12 12 12 12 12 12 12 12	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773 \$2.810 110 110 110 110 110 110 110 110 110	326, 443, 5.9 Coperation of the company of the coperation of the c	798 321 102 202 202 202 202 202 202 202 202 2
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Man	Proof: 1054, 99 1005, 1056 1005, 100	O 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri Peri Peri Peri Peri Peri Peri Peri	Late 119 119 119 119 119 118 119 118 118 119 118 118	and the second s	Change +0-07 +0-05	120 H 120 T 116 T 120 T	1.29 1.14 1.15 1.15 1.15 1.15 1.15 1.15 1.15	Lot 119-2: 119-2: 119-2: 119-2: 119-2: 119-2: 119-2: 118-2	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	15.773 110 110 110 110 110 110 110 110 110 11	326, 443, 5,9 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0	796 321 02 203 104 105 105 105 105 105 105 105 105 105 105
7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7. 7	Man ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) (	Proof 100% 100% 100% 100% 100% 100% 100% 100	O 11 11 11 11 11 11 11 11 11 11 11 11 11	Peri Peri Peri Peri Peri Peri Peri Peri	Late 119 119 119 119 119 118 119 118 118 119 118 118	est -31 -45 -27 -35 -45 -27 -35 -45 -27 -35 -35 -35 -35 -35 -35 -35 -35 -35 -35	Change 40-07 +0-05	120 H 120 T 116 T 120 T	10   10   10   10   10   10   10   10	Low 119-20 119-20 119-20 119-20 118-20 128-21 118-20 12 118-20 12 118-20 12 118-20 12 118-20 12 118-20 12 118-20 12 12 12 12 12 12 12 12 12 12 12 12 12	En 24 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	5.773	326, 443, 5,9 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0 6,0	798 321 102 202 202 202 202 202 202 202 202 2

Special Column   1991-13   40.00   1971-84   2.00   2.00   10.00   1	All stocks (57)	14	4.72	+0.	29	144.8	0 295	0.84	31441												
Over 2 prints (11) 16772 - 4-0.40 1977.28   1-2.00   1	ndex-linked																				
## A stocked (12)   187.56   40.30   187.40   188.   40.30   187.40   188.   40.30   187.40   188.   40.30   187.40   188.   40.30   187.40   188.   40.30   40.30   188.   40.30   188.   40.30   188.   40.30   188.   40.30   188.   40.30   188.   40.30   188.   40.30   188.   40.30   40.30   188.   40.30   188.   40.30   188.   40.30   188.   40.30   188.   40.30   188.   40.30   188.   40.30   188.   40.30   4																					
T FUCED INTERREST INDICES  Fig. 7 Fib. 0 Fib. 5 Fib. 2 Fib. 1 Fib. 1 Fib. 2 Fib. 2 Fib. 2 Fib. 1 Fib. 2 Fib. 2 Fib. 2 Fib. 1 Fib. 2 Fib. 2 Fib. 2 Fib. 2 Fib. 2 Fib. 1 Fib. 2 Fib	All stocks (12)	18	7.83	+0.	39	187.3	9 1.05	0.30		-				-			-				
Fig. 7 Finb 6 Finb 5 Finb 2 Finb 1 V rag Fig. 1971  Find Fines. [Min] A size 5 Min] 9	verage grotte reder	robon yelkle ar	e show	above.	Coupe	III Gianci	E Loui: 0%-7%%; i	Medium 89	6-10M9L	High: 1	1% and	over.	) Pleat y	leks. ytd Yer	r to deta,						
Fig. 7 Finb 6 Finb 5 Finb 2 Finb 1 V rag Fig. 1971  Find Fines. [Min] A size 5 Min] 9																					
Fig. 7 Finb 6 Finb 5 Finb 2 Finb 1 V rag Fig. 1971  Find Fines. [Min] A size 5 Min] 9					_																
THE STATE AND SALES 64-07 SALES 64-08 SALES 64-08-08-08-08-08-08-08-08-08-08-08-08-08-	T FOXED I						h 4 Marea 44	laded S. au		GELT	ED	650	AC					F-1			
10.00   10.0	int. Secs. 886			_					_	GRI TH	iped be		_								_
TAIL AND INTERNATION ALL BOND SERVICE  at one the fide in Fernandicus Donctic for which there is an existant excording retired. Listent patient at 7:05 per on February 7  November 1, 1987 10 00 00 05 05 05 05 05 05 05 05 05 05 05	bad Interest	112,88 11	2.81	13.43	113.8	B 115	LBS 110.45 118	23 108.	77	5-day	invirag	•		105.8	110.4	10	0.80	107	7.2	108.	4
Section   Part	07 1965/16, Govern 078 and Flood Inter	rest 1826. SE a	rager im	inglowe u	ووسين	1874.	Markadi som et 12	er iteatine		est ragn	since co	и,	gen: 1agu	as (Szissvani)	. IOW 80.63	(Autura)	. 198499	100: Gav		Section	Déc
Section   Part																					
Description	FT/ISMA IN	TERNAT	ION	AL B	OND	SE	VICE		•								10		:		
Control of Street   Cont	and me the blest it						uit secondary man	-								_					
**************************************	S DOLLED STOLE		86	Cittles	CRIS.	Yames	Gunda B 67					_	-	Alabara Mar	d Taxana			_	_		
**************************************	they Mad Treesury 5!	97 1000	997				United Kingdom 7	· 97	5500	10512	105%		3.76	Alliance L	ika 11 - 9/	2	100	1054	108	_	7.1 6.
See Deep 15 1/2 22 50 1940 1940 1940 1940 1940 1940 1940 194	M Amo Bark 74, 00	i 1000	107	1074		6,34	World Benk 0 15		2000	291	291	44	6.41	Dermak (	<b>码 略 £</b>		800	1001			9. 6.
See By 100 1904 100 100 100 100 100 100 100 100 100 1	ican Dev Sk 7½ 23 . Serta Province 7½ 98	500	106 <sup>1</sup> a				World Benk 5% O	3	3000	<del>201</del>	99 <sup>2</sup> i	+36	5.91	BB 8 08 £			_ 1000	1014	101%		7.
See See See Control (1994) 1994 1994 1995 1995 1995 1995 1995 1995	ian Den Bank 6 <sup>1</sup> 4 05	750	1024	1023		603				-	ori.	.1.		THE PERSON THE	25 20 € <sup>—</sup>		_ 500	105%	105%	40	6. 8.
Series 19 10 10 10 10 10 10 10 10 10 10 10 10 10	iden-Vilvert (Pin 84)	00 1000	109 <sup>1</sup> 4	1093	44	5,50	Austria 4 <sup>3</sup> 2 00	19	1000	104	10412	-	3.35	italy 1042	14 🕏		400			44g	8
Series 19 10 10 10 10 10 10 10 10 10 10 10 10 10	nt Ned Generaten 7 Her Versinstak 8 <sup>1</sup> 2 00	1000 500	105%				Council Europe 44 Dermark 41 <sub>4</sub> 80	9	250 1000	1044				Japan Dev	8k700£	_	_ 200	205			7.
## Content of 1 (10	igum 5½ 03	1000	86,4	973	_	5.97	98 34 99		1000	1024	10312	44	273	Dottern 11	14 Dt P		100	حلقوه		+4	7.
1	Beh Columbia 7% 02	500	110	1104	44	5.62	Parland 74, 99		300	1114				Severn Tri	IM ID도	2	_ 250 _ 160	1044		#	7.
## WINDOWS (P. 1974)   1974	ish Gas 0 21 nata 5½ 97	1500 2000	154				icstand 75 00 Inter Amer Day 44	.03	100 and	112 <sup>1</sup> 2		-2		Tologo Flee	: Proper 11	M C	150	2241-	1144	4	7.
28 Pender 97-98	Bung None Fin 5½ Si	<u>50</u> 0	974	9810	4	6.54	Ortario 6 <sup>1</sup> 4, US		400	10912	1104		4.52	World Ban	t 1212 97 N	<b>23</b>	75 250	1084 1084		4	7. a.
	acit Foncier 9 <sup>4</sup> 2 88	200	11114				SNCF 7 D4		480	116%					<b>30 VI HT</b>		. /IXI)	99 h			8
504 99 90 90 90 90 90 90 90 90 90 90 90 90	Arrani, 5% 99	04 . 800	MIN.				Sweden 44, (13		500	1014		44	4.47	SNOT B4	87 Ff		4000				4
Company   Comp	3604	500	100%	100%		5.94	World Bank 7 01		500	1142		+12		FLOATING	RATE NO	TTER.					
Set Ower Day '9: 99 190 1905 1905 1905 190 1905 1905 190	C de Franci 9 98	200	107		al <sub>a</sub>		YEN STRAIGHTS										enad.		i Or	ler	Co
## Annual Prof.   100   1909	-im Burk Japan 8 02	900	1117		_		Belgium 5 99	00	75000		1117	.1.		Abbuy Nat	Treasury -	// 20	. 1000				5.79
## 1969   100   103   105   10	d Home Loan 74 98		1054	108		5.31	98 F <sub>1</sub> 00		100000	117%	118	3	2.07	Seigem &	97 DM		_ 500	100.00	100	08	LO
Market Developed Ref   99   1500   1004   1005   1004   1005	tand 6% 97	3000	103		448		Ex-Im Black Japan Was Arres Day 74	45 03	109000 30000			Sep.		CCCEOR	3 Ecu		200				5.62 5.28
**************************************					ملاد		Name 3 to 12 Dt		300000	104	1044		271	Contractor Condit I yes	k O/S Fin –	4 90	_ 750	99.73	89.	80 :	5.79
\$\frac{1}{2} 23  \text{Sign} 39\frac{1}{2} 9\frac{1}{2} 23  \text{Sign} 39\frac{1}{2} 23  \text{Sign} 391	Granco S.L. dill.	AND	200	1004	يهلو	5.24	Japan Day Bk 612	01	120000	1203	13012	يثو	2.56	LABOR TAGE	7000 (L3D 9	8	1250	100.00	100		4
\$\frac{1}{2} 23  \text{Sign} 39\frac{1}{2} 9\frac{1}{2} 23  \text{Sign} 39\frac{1}{2} 23  \text{Sign} 391	Presence 54, 98		1003a		119		Manuay 51g 97 SNCF 51g 06		150000	104% 118%		عد		Distance R	inarra J. G	R FINAL	1000				5.68
10 Dep Bit (\$ 10 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	y 6 03	2000	99Å <sub>6</sub>		_		2000m 54i (2)		129000	1165	1187		276	Ferro del S	<b>52 C.10 87</b>		_ 420	100.00	100	23 !	5.75
## SEC Prover Only 107 107 45 5.85  ## SEC Prover Only 107 107 107 107 107 107 107 107 107 107	ner Com Die Gift Cit	900	1115	1117	4	5.65	World Bank 54 02		250000			ولو		Finland -	99		. 1900 . 1500				5.446 5.487
## 17   ## 1900 1021   1905   1907   1908   1907   1908   1907   1908   1907   1908   1908   1909   1908   1909   1908   1909	rea Slac Power 67g 03 Bushika Slac 75g 02 .	1350		1073	***		OTHER STRAIGHT	192				-		90 Bank is	<b>4 19</b> .		_ 500	100.18	100	26	6.12
*** Northeaper 69: 00	respy 11, 97	1000	1057	103		5.11	Finland 8 04 LFr							120 Y 14 128 .			2000	100.07	100		5.56 6.83
Dec   Paper 9   190   100	le Kostulijek 8½ 0	7 220	1123	1124	والو	5.63	IKB Deut Installik	8½ 02 LFr _	_ 3000					Libyds Ban	kParo.50	เอ	en c				5.68
1938	abac Hartes 9th 98	150					ABN Armo 65g 00 i	7 (7 (2)	1000 1500					Makaysia 🖟 New Zesler	05		. 650	89.67	99.	B2 6	8.00
For 188	abec Prov 9 98	200	106%	1074	-	5.53	Bell Ceracia 10% 9	9 CS	150	1124			5A7	Move Scott	1 % 89		. 1000 500				
## ## ## ## ## ## ## ## ## ## ## ## ##	CF 9 <sup>1</sup> 2 98	150	1097	1094			Carracts Mag & Hsg	84 99 CS _	1000	1083				Plemie 0 98			2000		89.5	<b>35</b> 5	.87
## Series states of the control of t	adan 8½ 03	2000			alla.		29 104 99 C5	00 CE	130	108%		44	5.57	State Bk Vi	cacorda 0.05 E	9	- 125	99.98	100.		
The series of th		-000	1024	10212	••	5.53	10W let Fin 10 01 C	3	400	113%	1144	44		Sweden -1	01		. 1500 . 2000				
Carrel Figure 19 19 19 19 19 19 19 19 19 19 19 19 19	po Ske Pener 6 <sup>1</sup> 2 00	1000			ele.		Alippon Tel Tel 104 Ontario 6 03 CS	99 CS	200 1500									-	63.		LIII
3 Bank 6 Pg 65	ota Motor 5% 95 lad Mandon 7% 69	1500			<b>J</b>		Ontarto Hydro 10%	99 CS	900	1131 <sub>g</sub>	1133		5.14			_					
Court   Europe   10   125	nt) Blank 61 <sub>1</sub> (65	1\$00	1032	100		587	Quebec Hydro ? 04	CS	1000	967	365	ياد		Charle Con-						iter Pi	100
Second Price   Seco	no 1527 x 2-15 yea Ad Blank, 8 <sup>2</sup> 1 97	1900 1500					Caused Europe 8 0	8 CS	200 _ 1100	127		414		Gold Kalgor	568 7 200 568 7 200	2	50 65 1				-1.0
100 100 100 100 100 100 100 100 100 100											991		8.57					37 11	13 <sup>1</sup> 8 114	28 +1	16.1
# Fearmer 61/2 025   1500 100%   100%   100%   100%   100%   110%	ina 6 <sup>1</sup> 2 24	<u>7</u> 0				7.12	BC 8 00 Bov		1000	101	1014	44						75 ~8	124, 83		
# Fearmer 61/2 025   1500 100%   100%   100%   100%   100%   110%	dit Foncer 7 <sup>1</sup> 4 00	2000			护	7.70	Feato del Stat 10%	26 Ser	. 1125 _ 500	105 <sup>3</sup> E 108 <sup>3</sup> -		-		TO BE NOTE:	Lanc 4 CI	8	10 24	.05 8	17°5 88	- 8	12.1
The Birth 17 03 200 1092 107 42 8.22 ADC 10 89 AS 100 1067 1084 47 7.75 Mount be Fin 192 97 100 2289 992 1002 4812 100 1002 1002 1002 1002 1002 1002 10	anuark 6 <sup>1</sup> 4, 96	2000		104 <sup>1</sup> 2		398	haly 10% 00 Ecu	01 5	1000	119-2	116%	1	5.16	Lasmo 73 <sub>4</sub> ( Mitsul Bank	25 C		90 5	.84 ′ 9	10 <sup>3</sup> a 91	5	•
200 1052 1054 1 1064 1 1065 157 1	Alche Ele Fila 7½ 03	2000	206 <sup>1</sup> 2	107	واله	6.32	ADC 10 89 AS		100	1067	1054	44		Mount is a	n 6l <sub>2</sub> 97	2	W 233	<b>873</b> 9	9 <sup>1</sup> 2 100	4	
Bader-Minert 612 08 2500 58 9614 44 686 State Br. NSW 9 02 A6 300 1044 1045 44 8.15 Sunfarmo Bank 314 04 300 3908.9 87% 8834 4308	64 CD	1500			7	4.90 5.05	58 74, 99 A\$	134, 80 A\$ .	700 390			وأبه							75- 10A	<u>با</u>	1.7
MEGICAL CONTRACTOR OF THE CONTRACTOR OF THE PROPERTY OF THE CONTRACTOR OF THE CONTRA	med Ti- OR	2000	1089	109	44	5.05	R& Dock 71 00	020 AS	1000	13	1322	412							P 103	4	15,8
	Baden-Willers 612 (I	J 2250	133	994	44	6.81	Single Bik MSW 9 02	A\$	_ 377	1043	104%	44	-	SUMBORIO B	and 3L me	-	V3 - 200m	19 a	73 BB		
174 03	way 6-1,98	1500 1500				3.96 6.37	Sth Aust Gort Pin 9 Uniferer Australia 12	02 AS	150 150		10472	alle .	B.18	Transatianno	/4 08 £ _	09 Ç _ 2	55 ; 50 5	3.9 10	4% 105		7.35
MONT BONESH: The yeld as the pied to reconstitut of the bid-price; the process describe in reflects of currency units. City, days Charge on only.  THIS PORTS MONTES: Demonstrated in dollars unless otherwise indicated. Courses also be in reflected. Specially the control of the course otherwise indicated. Courses also be in the course otherwise indicated.	in 74 03	4900	1087	1064	4	8.07	Western Aust Trans	7% BB AS _	700	100	1002	44	7.60	Conty one	alien avallet (Nariasi spal	de - pasit de succida	us days	pros	-7 /8	4 +1	-201



String ARS by

SSUe

n

# SINGAPORE

# Journey with no ending

The government may be relieved that the island state has not yet been classified as a developed country, writes Peter Montagnon

ike most embarrassing moments, it had its serious as well as its funny side

In his new year's message last month Mr Goh Chok Tong, the prime minister, told Singaporeans that the Organisation for Economic Co-operation and Development had formally classified their nation as a developed country, After a couple of weeks of excited chatter in the media, it turned out he was not quite right.

There were red faces all round as commentators discovered the OECD had merely put Singapore in the category of advanced developing nations which are no longer eligible for aid. Singapore had not yet quite arrived at the end of the development road after all. But that does raise an important question: if Singapore is not developed, then what more does it have to do? And how easy will the challenge be?

By normal standards there ought to be no debate at all. With a per capita gross domestic product of \$34,000, Singapore enjoys a living standard well shead of Britain and roughly on a par with that of

With its mixture of market economics and stakeholder approach to social welfare, it, has attracted the admiring attention of the occasional western politician, including Mr Tony Blair, the UK Labour

party leader. In the poorer countries of Asia, such as China, Indonesia and Vietnam, which are only starting out on the develop-

seen as a model. People in those countries mind less than western critics about Singapore's limited democracy, but they find real appeal in the material freedom it offers its citizens, in its non-confronta-tional predictability and social order, in the rule of law and, a true rarity in Asia, the almost total lack of corruption.

But while they are quick to reel off these achievements, Singapore's leaders are also a little uneasy about too much Sattery. The ruling People's Action party considers Singapore vulnerable and its achievements fragile. It is a deeply ingrown belief, going right back to the time that Singapore was expelled from the Malaysian Federation in

Singapore then had to survive alongside two large neighbours, Indonesia and Malaysia, hostile to the overseas Chinese who make up the bulk of its population. It had to develop the national economy without the benefit of domestic mar-

The PAP still uses its sense that the country has its back up against the wall to help justify its tight control over most aspects of Singaporean life. It cannot lightly abandon this belief, even in the face of stageconomic achievement.

ccording to Mr Lee Hsien Loong, the deputy prime minister and son of Mr Lee Kuan Yew, Singapore's elder statesman and founding father, "income is ephemeral. It's a satisfying thing to have, but it can come and go. It's the foundations for that income that you must ensure. We're not sure that we have those foundations as deep as they ought to be.

"If you look at the structure of our economy in terms of the breadth and depth of expertise, organisation, multinational firms' spread of subsidiaries overseas, or domestic indigement road, Singapore is often . nous technological capability,



ntown skyline of one of the world's richest country in per

cal reasons why Singapore is of its people living in insaniwe have a long way to go." tary conditions in makeshift reluctant to claim the status of Only 3 per cent of the counhousing.

try's workers have university degrees, he adds. About 22 per cent of new entrants to the Thus the government wants to make its people more civilised before it lays claim to preworkforce are graduates, but it side over a developed society. will take many years before "Graciousness" is the latest that feeds through into the buzzword, even if the message workforce as a whole. sometimes appears to be deliv-Implicit in this reply is an ered in an ungracious and hecawareness that Singapore's wealth is very new and that toring tone. Having congratulated his countrymen for their the past 30 years have been

quite literally a story of rags to

riches. Singaporeans need not have advanced far into middle littering, vandalising library age to remember the days books and pilfering orchids when their country was dirty from the Botanic Gardens. and disease-ridden, with many There are other, more practiof its roads unpaved and many

developed country. Were it to do so, it would be unable to make use of residual trade preferences still available on

Union until 1998.

It would have to implement more quickly its Uruguay Round obligations on intellectual property. It might also come under more pressure to launch a economic success at the new development aid policy, interyear, Mr Goh then went on to lambest them for discourtesy, nationalise its currency and

open up its domestic financial market to foreign institutions. Singapore has been reluctant to open up its tiny domestic

some exports to the European

financial market on the grounds that it fears loss of control. It argues that it needs a core group of strong local banks capable of rallying round in times of crisis, such as during last year's Barings debacle. Competition in domestic banking must therefore be limited. Similarly, it is reluc-

degree of protection is bardly

likely seriously to inhibit Sing-

tant to allow foreign brokers free access to its stock market. Some US securities argue that these restrictions may make it harder to attract business away from Hong Kong after the British colony reverts to China in 1997. But this

apore's broader economic and financial development. Singapore's financial ser-

vices industry has survived last year's Barings crisis remarkably unscathed. Simex, the futures exchange, has been able to attract new members. Offshore assets of its international banks rose to US\$471bn in the first 10 months of last year from US\$416bn at the end of 1994. Singapore still ranks among the world's top four markets in foreign exchange.

To add to its range, it is now seeking, with some success, to attract more international

Continued on next page

#### IN THIS SURVEY

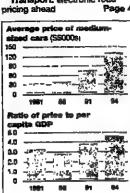
The economy: high growth rates seem likely to continue

Productivity: upgrading skills and adding value to output Stakeholders: for the benefit



© Politics: the ruling party is anxious about its support at the next elections, though it is next elections, though it is expected to win Foreign policy: security has led the state to be a great joiner of groups such as Asean

capitalism and close control Retailing: hard times on the



 International monetary exchange: Barings crisis testi Stock exchange: Nomines

© Domestic banking market: out of proportion to Singapore's · Financial services: it's lust a

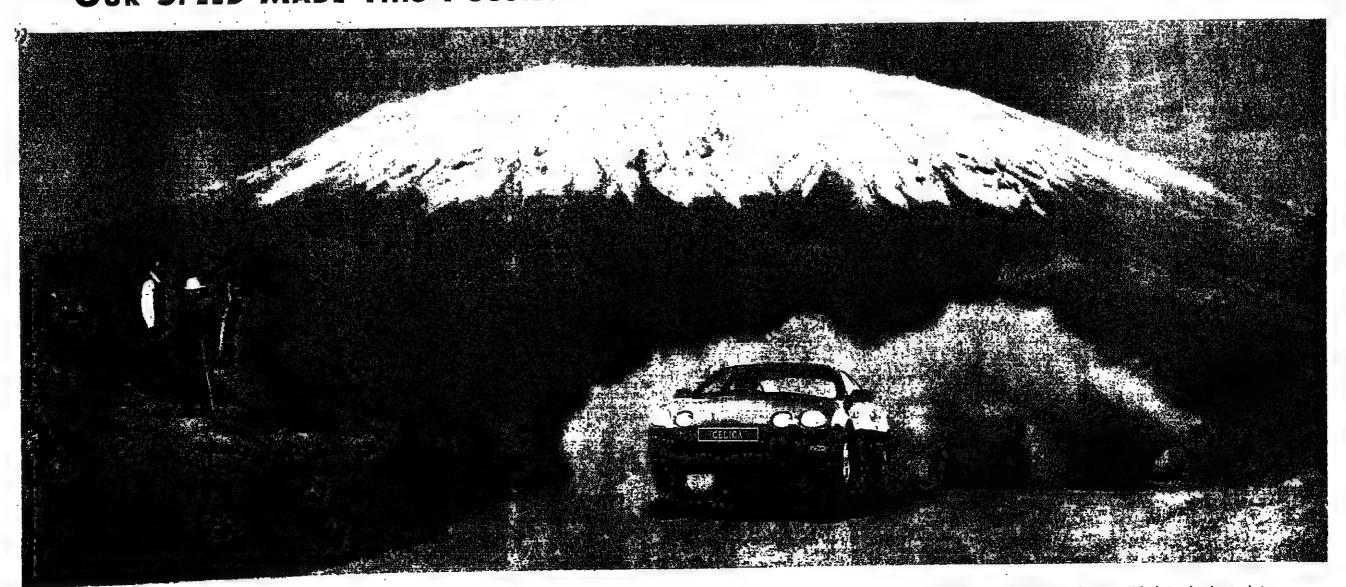
email problem
The media: still being The port: remote contro

comes abound Restaurants: a guide to the city state's culinary apota Business travellers' guide

€ The "region ©The "regionalisation" apreading out into Asia - Map of Singapore - Bintan island: luring ti

Production Editor:

# OUR SPEED MADE THIS POSSIBLE.



This coupe wouldn't be racing across Africa if its critical engine parts were still in Japan.

How do we know this?

Simple. We off-loaded the container with the parts at 4pm on 1 March 1995. And sent it on its way to Africa in the early hours of 2 March 1995. Right on time.

Because we know how important speed is in

the shipping business. Which is why despite being the world's busiest port, we continue to work round-the-clock with state-of-the-art technology, precision planning and a no-nonsense approach to turnover some 1000 containers every 10 hours.

Now, if that's the kind of competitive edge you're after in this fast-paced world, then talk to us. We'll help bring your business right up to speed.

information on how folds best seaport cun serve you, please write to the Corporate Communications Department: 5th Stores, PSA Building, 460 Hesandra Road, Singapore Will, Dr Jaz (D5) 274426)

The economy: by Peter Montagnon

# Savings lay groundwork for growth

Expansion rates typical of a "tiger" economy are being maintained - for the time being

After two years of double-digit growth in 1993 and 1994, few economists believed the same thing would happen again in 1995. But thanks largely to an unexpected boost from electronics, it almost did. Singapore's economy grew by 8.9 per cent last year, while inflation was held to just 1.7 per cent. less than half its rate in 1994.

The results suggest that, unlike Hong Kong which has begun to manifest signs of a structural slowdown in its rate of growth, Singapore can continue to maintain the high expansion rates characterised by a so-called "tiger" economy,

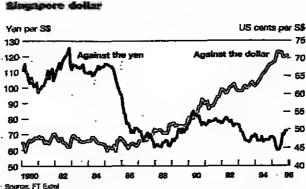
to slow somewhat this year. The economic slowdown in industrial countries will dampen growth of world trade, and Singapore's industry needs to adjust to higher costs in the wake of a rising exchange rate. But economists at Deutsche Morgan Grenfell still expect it to reach around 8 per cent. The government itself believes Singapore can manage an average 7 per cent growth rate between now and the end of

Still. without the contribu-

tion from electronics, last year would have looked much less satisfactory. A slump in the growth rate of exports in the second quarter to 5.8 per cent from 23.1 per cent in the first partly reflected distortions caused by the introduction of a 3 per cent goods and services tax in March 1994. But it led many economists to downgrade their expectations for economic growth in 1995.

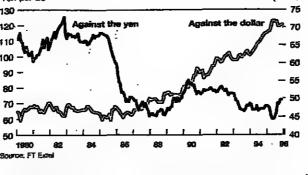
Pessimism gave way again to optimism only after an unexpected surge in electronics exports as the market geared up for the high-profile launch of Microsoft's Windows 95 in August. That created heavy demand for personal computers and items such as disc drives in which Singapore specialises. Electronics sales grew by 24 per cent between April and November, putting the overall economic growth rate

Manufacturing Investment commitments										
Year	SSon									
1990	2.49									
1991	2.93									
1992	3.48									
1993	3.92									
1994	5.76									
1995	6.81*									
" = Estimate Source: Econom										



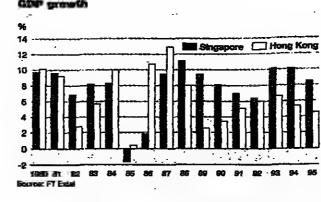
on a strongly upward track. Elsewhere, though, performance remains patchy. Construction has been boosted by government programmes for refurbishing public sector housing. But other traditional areas of the economy, such as shiprepairing and oil refining, are flat. Consumer demand is also weak, and the retail sector is in the doldrums as a result. But this has its flipside in the form of an extraordinarily high savings rate.

Mr Manu Bhaskaran of Crosby Securities estimates that Singapore's savings rate last year was some 47 to 48 per cent of GDP, indicating that Singaporeans are setting aside far more than the amounts prescribed under Central Provident Fund rules, "Having



reached a certain income level and quality of life, many Singaporeans are choosing to improve their housing," he says. That, together with the need to accumulate resources to meet the high cost of buying a car, helps to explain why the savings rate is high.

The high savings rate more than suffices to finance an investment rate of some 35 per cent. Most economists agree that this, in turn, is laying the groundwork for future growth, especially if it leads to an increase in productivity. But the large surplus of savings has led to a high current account balance of payments surplus of nearly S\$16bn in the first three quarters of last year (compared to S\$12bn in the same period of 1994) which has



helped put upward pressure on the exchange rate.

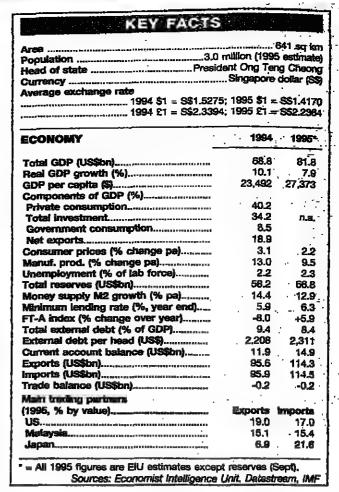
Recycling the surplus is one of the main challenges for the economy in the medium term, says Mr Ng Bok Eng, regional economist at Deutsche Morgan Grenfell. While the government itself manages a large overseas investment portfolio and is encouraging private sector companies to invest in the region, other economists say there is also the risk that the Singapore dollar could attract large flows of flight capital in the event of political uncertainty elsewhere in the region.

But the rate of currency appreciation slowed last year, and Singapore has been able to cope with a higher exchange rate. Though manufacturing still accounts for some 25 per

cent of economic output, lowertech activities have been moved offshore, leaving only sophisticated high value-added activities at home. "If the Singapore dollar really was such a negative factor, why are for-eigners continuing to invest in Singapore?" asks Mr Ng.

Nonetheless, the relatively unexciting performance of other sectors suggests that last year's boom in electronics masks a decline in competitive ness as a result of higher costs. That raises the question of what would happen if there were a downturn in the electronics sector.

Some economists, including Mr Paul Schymyck of CIBC CEF, say Singapore could cope because even the electronics sector is well diversified. "If



something happens to disc wafers. That diversification drives, then other sectors can rise," he says.

Singapore is planning to broaden its range with a further specialisation in silicon

will help but with the economy 85 per cent dependent on exter nal demand, Singapore remains vulnerable to what happens in the outside world.

 $\mathfrak{St}^{(n)}$ 

state :

erci.

277 L.

2000

 $\overline{p_{2n}}_{2n}$ 

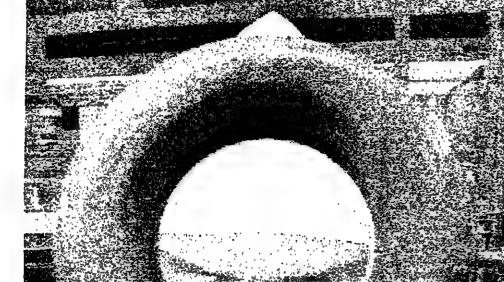
5 . T

KC : "

ZL.:

 $\pi c \nu$ 

C.





#### **Productivity:** by Peter Montagnon

### Both perspiration and inspiration According to Mr Lim Swee services tax in 1994 suggest

The emphasis now is on upgrading workforce skills and adding value to output

some yardsticks Singapore's extraordinary economic growth does not deserve to continue

Studies of the composition of the country's growth over the quarter century to 1990, by the US economist Mr Alwyn Young, have suggested the country relied too heavily on ever-increasing inputs of labour and capital and too littie on productivity growth.

Total factor productivity (TFP), the jargon expression for that part of economic growth which is not clearly accounted for by increased input of labour and capital,

showed little change over the period and was small elsewhere in the region.

In what has become something of a cause celebre, this prompted another US economist, Mr Paul Krugman, to suggest in 1994 that the Asian miracle was based on "perspiration rather than inspira-

The implication is that the growth rate will fall sharply once the perspiring stops and the supply of new labour and capital dries up. Singapore, he said, was particularly volnersble because of its record on

Singaporean economists are generally rather sceptical of the theory, noting that TFP. being a residual, is notoriously difficult to calculate. Moreover, productivity growth has long been a focus of economic

Say, managing director of the Economic Development Board, the country's average manufacturing growth in the past 10 years was 10.4 per cent. Of that, 40 per cent was accounted for by capital investment, 20 per cent by an increase in the labour force and 40 per cent reflected growing efficiency in the use of

these inputs or TFP. "We have been on the right track." Mr Lim says. "But in future we must continue to concentrate on productivity."

The government's assumption that the economy can grow by 7 per cent a year between now and the end of the decade assumes a 4 per cent annual increase in productivity. From April, two local bodies, the Institute of Standards and Industrial

Productivity Board, are to merge into a new body that will concentrate on upgrading the skills of the workforce and add value to its output. Revisions to national statisties in connection with the

introduction of the goods and

ductivity to growth may have past, but there is evidence which shows that growth may have been quite strong until recently. Thus, after growing by only 3 per cent in 1992, manufacturing productivity growth

jumped 12.3 per cent and 11.4

that the contribution of pro-

per cent respectively in 1983 and 1994. Initial evidence suggests the rate of growth of productivity fell back in 1995, but for the longer term, economists are

"What's happening is quite similar to the US," says Mr Paul Schymyck, chief regional economist of CIBC CEF. There's a new faith in productivity after investment in computers and technical infra-

# All for the community's benefit

A look at how the country reconciles economic growth with social planning

If Hong Kong, with its freewheeling laisser-faire ways serves as an Asian model for the British Conservative party, then Singapore, which has managed high growth while still placing emphasis on social planning looks a natural alternative for Mr Tony Blair, the Labour leader. It was here last month that he launched the slogan "stakeholder economy"

Quite what this means in the British context is not entirely clear. In the City of London it suggests a culture of corporate governance which recognises that employees and customers as well as shareholders have a stake in an enterprise

the interests of all stokeholders, so shareholders may occasionally have to sacrifice short-term benefit for the sake of this broader group.

The Singapore government, too, aims to operate in the interests of the community as a whole, although it claims a unique ability to define what those interests are. If this means some sacrifice of individual rights in the short term, then that is deemed acceptable as long as the broader community shares in the country's material success. To help distribute the benefits and give people a sense of involvement in Singapore's future, the government aims to give

individuals a stake in the But this has nothing to do with redistribution of wealth through welfare payments. Instead. Singaporeans are

encouraged to acquire wealth in the form of capital. "The biggest stake we give

the people are the Housing and Development Board flats which they live in," says Mr Lee Hsien Loong, deputy prime minister. "There you're talking about S\$100,000 very commonly - or \$\$50,000 to \$\$60,000 at least if you bought a flat 10 to 15 years ago. That's what you get in capital gains."

Almost 90 per cent of Singaporeans live in such accommodation which they can buy on a 99-year lease from the government, using savings accumulated in the Central Provident Fund.

The CPF is a compulsory scheme into which employees must contribute 20 per cent of their salaries - employers chip in a similar amount - and it is designed to provide pensions as well as cover medical costs. The government also uses the CPF as a vehicle to enable

individuals to buy shares in privatisation issues by the

Under the so-called top-up scheme, the government will add to deposits made by individuals in their CPP accounts to enable them to invest. This helped attract strong local interest in the privatisation of Singapore Telecom. The number of people owning shares grew dramatically - from only around 250,000 to between 1.3 and 1.5m. Mr Lee says.

While ownership of capital assets does give workers a stake in the economy, the stakeholder principle is less in evidence in the corporate

Singapore does not go in for the German-style concept of worker participation on company boards, but managements are forced to treat employees with consideration because of the

acute shortage of skilled

labour. Moreover, the state expects people to use savings built up in CPF accounts to provide for their old age. CPF members may withdraw funds at the age of 55, but they must leave a minimum amount in the scheme to cover their pension and medical requirements. That amount is scheduled to rise as the population ages from S\$40,000 at present to \$880.000 by the year 2003.

Singaporeans may thus have acquired a stake in the economy through their ownership of capital assets. But they must use this wealth to provide for themselves, and the government, with its strong paternalistic traditions, limits their freedom to dispose of it.

"Singaporeans are asset-rich. cash-poor," explains Mr Lai Hock-Meng, managing director of Deutsche Morgan Grenfell.

# Economic journey without ending

Continued from previous page management business that will cement its role as a financial

hub.

Similarly, regionalisation of its economy has become a central priority as Singapore seeks to secure its future industrial and commercial development. Singapore is now trying to make itself into more than just a regional centre for multinational companies.

Faced with the need to recycle a current account balance of payments surplus that reached over 17 per cent of gross national product in 1994 and to adjust to everrising labour costs, it is also trying to help steer the activities of the multinationals to which it plays host to other parts of Asia. Thus, it has been setting up industrial parks in other countries, such as China, Vietnam and India, where markets are large and wages

still low. Already most lower-skilled manufacturing has moved to neighbouring Malaysia and Indonesia. Now Singapore hopes that multinational com-

well as research functions that will make Singapore more innovative and productive. "Increasingly, companies will want to undertake this in the Asia-Pacific region because they have to innovate in the market place," says Mr Lim Swee Say, managing director of the Economic Development

There are doubts about whether Singapore is equipped to make the lesp to this higher level of activity. It boasts no great entrepreneurs like Hong Kong's Mr Gordon Wu or Mr Li Ka-shing. Singaporeans have

no great talent for invention. Even Mr Lee Kuan Yew, now admits that Singapore's industrialisation simply followed developments in management and technology elsewhere. "We didn't have to ploneer the trail; the trail was blazed. All we needed to do was to get on our bicycle and pedal faster behind

the lorries," he said in a recent Critics say that, though the government's pervasive pater-

panies will bring in more nalism has helped build the sophisticated operations as country's present prosperity, it has also stunted the imagination and creativity which would now be required to make it less dependent on for-

eign expertise and ideas. That judgment seems harsh. For the time being. Singapore is not short of businessmen willing to take a bet on its future. According to the EDB. new commitments of manufacturing investment rose to

#### No great entrepreneurs, no great talent for invention

S\$6.81bn last year from S\$5.76bn in 1994 and only S\$3.92bn in 1993. Most private sector economists happily accept government forecasts that Singapore can grow at an average rate of 7 per cent over the next five years.

in sum, it is bard to argue that Singapore is not a developed country economically, albeit one which still has to come to terms with the speed of its rise to prosperity. By contrast, the question of what it needs to do to mature politi-

cally is altogether more controversial. Westerners often feel uncomfortable with Singaporean politics, not least because of the government's tendency to stifle opposition. Recent history contains a number of cases where opposition politicians have been prosecuted for violating civil laws or sued by PAP lead-

ers for delamation. PAP officials see nothing undemocratic in this, since such cases involve reliance on local laws that apply equally to everybody. But the party's approach is also one in which logically there is little room for

According to its philosophy, the requirements of national survival dictate a communitarian and collectivist approach to government which sometimes has to override the wishes of individuals. This is true not only as far as economic well-being is concerned, but also to meet the priority of assuring social order in a multiracial community.

Thus the PAP argues that its approach is acceptable as long as it delivers material succes In effect, the government has a pact with the people that limits their right to criticise ministers personally or government institutions generally. In return, they are promised competent and squeaky-clean government. The overwhelming majority won by the PAP at regular elections gives it the moral authority to rule in this

"As long as you are delivering and as long as [the people] have confidence in you and as long as we're able to self-renew and produce an up-to-date generation of leaders who are capable and obviously on top of the job, then we can maintain it," says Mr Lee, the dep-

uty prime minister. Thus far, the pact has held. seems likely to do so again in elections, due some time over the next year, even though some cracks are appearing.

Support for the PAP has been eroding at the polls since the mid-1980s. Voters have opposition expects to inflict a



"All we needed was to get on our bicycles and pedal faster"

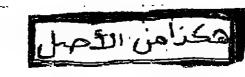
been complaining about the cost of living and the overbearing paternalism of a govern-ment which insists that it knows best even about petty things like the sale of chewing gum (which is banned).

But the opposition parties, who currently hold four seats in Singapore's 81-member parliament, are in disarray. Their programmes are weak and they are riven by internal dissent. While the PAP may lose some more seats, not even the

defeat that would undermine the government's authority.
As Singaporeans become more affluent, better-educated and more independent, the going will get harder. Already the PAP is consulting more. accord with people's wishes. Singaporeans are very aware of

What we do has to be in what is going on in the world. If what we say does not accord with their own perception of reality, we lose credibility." says Mr George Yeo, the information minister.

It helps, too, to retain a sense of work yet to be done. If the government were to admit that Singapore was now indeed a developed economy, it would lose much of its raison d'erre.
That is why it must constantly looking for ways in which present achievements can be pro-tected, built on and improved. According to Mr Lim of the EDB: "The ultimate aim is the Singapore should be able to sustain GDP growth for ever. Economic progress is a journey



It is among affluent young

middle-class Singaporeans that one hears the most complaints about the overbearing approach of government with its sometimes petty-sounding

rules. But such people also shy

away from the uncertainty

that would follow from a defeat

The trouble that brews for

the PAP in this quarter is dif-

ferent. Able, educated young

find a way of bringing on a new generation of leaders, it

will face difficulty in future.

worry that canable members of

Singapore's educated elite -

still quite a small group - will

That is also why PAP leaders

of the PAP.

SINGAPORE 3

■ Politics: by Peter Montagnon

# Search for a convincing victory

The ruling party is anxious about its support, though it seems set to win the next elections

 $\{\lambda \mu_{\lambda}\}$ 

335

---

- 10 mg gg.

- - - - -

1000

For a brief moment every five years or so, Singapore comes to life politically as elections are held for the island republic's 81-seat parliament.

The short nine-day campaign marks just about the only time when opposition parties enjoy free and full access to the public, and the results are carefully scrutinised for signs of how much support still accrues to the People's Action party, which has ruled Singapore since self-government in 1959.

Such a moment looms over the next 12 months. Elections must be held by spring next year, and may come as early next month, some pundits claim. There were indications last month that the PAP was gearing up to announce a date when the party newspaper, Petir, published a five-point

strategy on how to win the particular level. election. This included a recommendation that campaign workers should criticise other countries, such as France, Italy and New Zealand for their welfarism, to show Singapore was on the right

But the more important question is whether the PAP is still on track. The last general election was not a good one for the party. Though it won just over 60 per cent of votes cast, which would count as a landslide in a western democracy, it lost four seats to the opposition. Mr Goh Chok Tong, the prime minister, allowed that to be seen as indicating a weakening of confidence in his author-

This time the party is being more careful not to make itself a hostage to fortune. Though the authoritarian style with which it governs in between elections means it requires a very strong mandate from the people, it is being careful to downplay the need to maintain the share of the vote at any

"Barring a complete rout, by which I mean the share going down into the low 50s, the PAP is now psychologically able to accept a further erosion." says Mr Walter Woon, a law professor at the National University

and PAP MP. There are also some grounds for arguing that the erosion may be limited. Mr Goh's personal standing with the electorate appears to have

For nine days opposition parties enjoy free access to the public

improved since the last election, even if many Singaporeans still feel frustrated with the party. Also, there was a freak element to the last result because the opposition parties stood in only 40 seats. Since the PAP was thus assured of

winning, this encouraged tactical voting by people who ministerial pay. Mr Goh's salwanted to protest without actually seeing the party defeated.

The opposition may use this tactic again. If so, the result will not necessarily reflect the real balance of public opinion as many seats in which the PAP is strongest will simply remain uncontested. But the elections also look like coming at a bad time for the main opposition Singapore Democratic party (SDP), which has suffered a split in its leader-ship and is accused by the government of lacking coherent

That said, there are also signs that, behind the scenes, the PAP is concerned about its standing. Party veteran Mr Tony Tan was brought back into the cabinet last August as deputy prime minister in a clear effort to strengthen its appeal to voters. And opposition politicians say there is a groundswell of public dissatis-

Among the likely election

ary of S\$1.5m (about £675,000) is a focus of resentment among lower-paid workers struggling to afford increasingly expensive housing and transport. There is also still some lingering opposition to the 3 per cent goods and services tax imposed

"The lower class completely resent the tax," says Mr J.B. Jeyaretnam of the Workers' party, who became Singapore's first opposition MP in 1981. "They weren't paying income tax because they didn't qualify. Now the GST takes it out of them," adds Mr Jeyaretnam, who will stand for parliament again after being debarred in 1986 following a fraud case brought against his party.

Mr Chee Soon Juan, the new leader of the SDP, admits that there is little prospect of actually defeating the PAP for some time to come. But if the opposition can win more seats in parliament, its voice will be heard and there will be more



be reasoned with rather than to be told what should be subsidised and what should not,"

That could spell problems for the PAP because a critical mass of opposition MPs in parliament would force more open

est in politics. Even the prospect of high ministerial salaries comparable with those available in the private sector has not been sufficient to lure a high calibre new generation into government. This goes deeper than mere electoral appeal. Unless the PAP can

be attracted to the opposition. debate on policy and dilute its "That's very troublesome. says Mr Lee Hsien Loong, dephold on power. But though both Mr Jeyaretnam and Mr uty prime minister. "I mean it's wrong. Why should we society, this is not necessarily allow a good man to go into the main aspiration of the the opposition and have to poorer voters from whom they expend his energies non-con-

munity.

Foreign policy: by Peter Montagnon

# Proud state seeks safety in numbers

Concerned with security, the island state is a great joiner of groups such as Asean

Ask people in the west about Singapore's image, and most will probably reply that it has a reputation for prickly assertiveness, all too ready to argue its corner over what it calls Asian values and often contemptuous of those of the

With its high-profile libel suits against foreign commentators and pointed refusal to countenance a stay of execution for Flor Contemplacion, the Filipina maid executed for murder last year, it seems to care little about making friends and influencing people.

Such stridency appears born partly out of pride in its own prosperity and partly out of a

ference by others in its own internal affairs. But it is also a reflection of vulnerability. Singapore's leaders feel coustantly impelled to remind their compatriots that theirs is a small country trying to make its way in a difficult and uncertain world. They cannot afford to relax.

anything that smacks of inter-

This view also pervades Singapore's more formal diplomatic efforts. A concern with security is natural for a small open economy. In Singapore's case it is aggravated by the belief that the world has not yet gravitated into a new strategic belance since the end of the cold war.

This leaves the Pacific region beset with possible flashpoints, such as the soverelenty disputes over the Spratly Islands in the South China Sea, the tensions between China and Taiwan, and the unpredictability of

North Korea in the face of a worsening food shortage.

Singapore can do little directly about these problems. but it must learn to live with them. Its approach is, first, to build good relations with its immediate neighbours, and, second, to try to build the seven-nation Association of Southeast Asian Nations (Asean), to which it belongs, into a force for prosperity and security in the broader Pacific

Seeking safety in numbers, it is a great joiner of groups and usually plays a pro-active role in organisations it joins. Thus, it is a prime mover behind next month's Europe-Asia summit in Bangkok; at the end of this year it will host the first ministerial meeting of the new World Trade Organisation; with its partners in Assen it is trying to open up Burma's economy and to build new bridges between India

By promoting a sense of economic interdependence, initially with its closest regional partners and then in an ever-broader sphere, it aims to engage the large powers in the Pacific – China, Japan and the US - and bestow on them an awareness of their stake in the region's future. That might help create a new multilateral balance which would prevent bilateral disputes getting out of band.

In spite of last year's moments of regional tension, Singapore's diplomats have started 1996 in a positive mood. "Relations with immediate neighbours have never been better," says Mr Kishore Mahbubani, permanent secretary at the Ministry of Foreign Affairs, of Singapore's ties to Indonesia and Malaysia. "All three countries believe they can succeed in development and that they can do this by

There is strong satisfaction at the degree of collaboration achieved at December's Asean summit in Bangkok where leaders (other members are Brunei, Indonesia, Malaysia, the Philippines, Thailand, and Vietnam) took new initiatives on trade liberalisation.

"The moment for Asean has come." Mr Mahbubani says. "It has succeeded far beyond our expectations. The robust optimism of everybody [in Bangkok) came as an eye-opener, even for us."

According to Professor Tommy Koh, ambassador at large and director of the country's Institute of Policy Studies, Singapore's main objectives are threefold: to maintain what he calls "this very rare moment when the region is at peace", to ensure that the momentum of economic growth is sustained and spread to other countries: and

to build institutions able to "enmesh" the countries of the region better in the economic and security fields.

Thus, Asean is only part of the Asia-Pacific Economic Co-operation forum, the US has an economic stake in the region which also forces it to remain involved in the security field.

China, seen as a threat by many in the Pacific, can be engaged economically through its membership of Apec and on security matters through its membership of the Assan Regional Forum which, like Apec, includes Japan and the

Singapore sees the EU-Asia summit, at which European leaders will confer with their counterparts from Assan countries, China, South Korea and Japan, as bridging a missing link in this process.

There may not be many concrete achievements, but the mere fact that it is the first such gathering ever makes it an "epochal" event, says Mr

With further summits expe ted in Europe in 1988 and in South Korea in the year 2000. a process should get under way with scope for wide-ranging collaboration in a number of areas: infrastructure, research and development, the environment and industrial

It is hard not to miss in all this a need for a bulwark

Such stridency reflects vulnerability. They cannot afford to relax

against an increasingly powerful China. That may also underly the efforts by other members of Asean to give the organisation new impetus.

Singaporean officials say they do not see China as an ediate security threat, but they argue that the region must come to terms with its emerging power.

By involving it in these regional groupings, they hope to help it relate better to the outside world in a non-confrontational way and to encourage it to play by the rules of the international com-

A group approach can help defuse disputes as Asean found when senior officials met with China last spring in Hangzhou near Shanghai to discuss the disputed Spratly Islands. But. says Mr Lee Hsien Loong, deputy prime counterweight to China.

"One is a superpower with nuclear weapons. The other is a group of small to middling states just trying to have a bit more influence in the world. It's not our role to provide balance. The balance must be at a

strategic level. "As long as the Americans maintain a role in the region and the Seventh Fleet is around, I think there is a good balance," he adds. That point remains fundamental, whatever the differences between Asian and western values.

think HEADQUARTERS think LOGISTICS think COMMUNICATIONS think INFORMATION think LIFESTYLE



Singapore. Gateway to the world's most dynamic region. And home to some 5,000 foreign companies, 1,800 of which have chosen it as their regional headquarters. A place where sophisticated port and airport facilities combine with state-of-the-art telecommunications.

Where leisure and lifestyle go hand-in-hand with total business capabilities. Linking the world to the region and the region to the world. Think Asia. Think Hub. Think Singapore. Then call the EDB office nearest you. Singapore Smilmites



CALL SINGAPORE ECONOMIC DEVELOPMENT BOARD. EUROPE: FRANKFURT (069) 233-838 . LONDON (071) 839-6688 . MILAN (02) 799-277 . PARIS (01) 4450-5830 . STOCKHOLM (08) 663-7488 . NORTH AMERICA:
CALL SINGAPORE ECONOMIC DEVELOPMENT BOARD. EUROPE: FRANKFURT (069) 233-838 . LONDON (071) 839-6688 . MILAN (02) 799-277 . PARIS (01) 4450-5830 . STOCKHOLM (08) 663-7488 . NORTH AMERICA:
CALL SINGAPORE ECONOMIC DEVELOPMENT BOARD. EUROPE: FRANKFURT (069) 233-838 . LONDON (071) 839-6688 . MILAN (02) 799-277 . PARIS (01) 4450-5830 . STOCKHOLM (08) 663-7488 . NORTH AMERICA:
CALL SINGAPORE ECONOMIC DEVELOPMENT BOARD. EUROPE: FRANKFURT (069) 233-838 . LONDON (071) 839-6688 . MILAN (02) 799-277 . PARIS (01) 4450-5830 . STOCKHOLM (08) 663-7488 . NORTH AMERICA:
CALL SINGAPORE ECONOMIC DEVELOPMENT BOARD. EUROPE: FRANKFURT (069) 233-838 . LONDON (071) 839-6688 . MILAN (02) 799-277 . PARIS (01) 4450-5830 . STOCKHOLM (08) 663-7488 . NORTH AMERICA:
CALL SINGAPORE ECONOMIC DEVELOPMENT BOARD. EUROPE: FRANKFURT (069) 233-838 . LONDON (071) 839-6688 . MILAN (02) 799-277 . PARIS (01) 4450-5830 . STOCKHOLM (08) 663-7488 . NORTH AMERICA:
CALL SINGAPORE ECONOMIC DEVELOPMENT BOARD. EUROPE: FRANKFURT (069) 233-838 . LONDON (071) 839-6688 . MILAN (02) 799-277 . PARIS (01) 4450-5830 . STOCKHOLM (08) 663-7488 . NORTH AMERICA:
CALL SINGAPORE ECONOMIC DEVELOPMENT BOARD. EUROPE: FRANKFURT (069) 233-838 . LONDON (071) 839-6688 . MILAN (02) 799-277 . PARIS (01) 4450-5830 . STOCKHOLM (08) 663-7488 . NORTH AMERICA:
CALL SINGAPORE ECONOMIC DEVELOPMENT BOARD. EUROPE: FRANKFURT (069) 233-838 . LONDON (071) 839-6688 . MILAN (02) 799-277 . PARIS (01) 4450-5830 . STOCKHOLM (08) 663-7488 . NORTH AMERICA:
CALL SINGAPORE ECONOMIC DEVELOPMENT BOARD. EUROPE (08) 239-838 . LONDON (08) 239-838 .

# iggy banks start to jingle

So far, the stock market's depth has scarcely improved - but that could be about to change

Privatisation creates an interesting dilemma for Singapore. Although it is an enthusiastic supporter of capitalism, the island's government is well known for keeping close control on the economy.

With Singapore running a substantial current account surplus and with the government's finances healthy, it has no need to privatise companies to make money. And since most people would say that Singapore's public services are extremely efficient, there would seem to be little in the way of efficiency improvements to be gained from the privatisation process

However, Mr Lee Hsien Loong, the deputy prime minister, says: "While we believe we have been operating efficiently by our own lights, when you privatise and subject to market pressure and competition, you always discover that there are so many places where you could have done better and generated more business and higher efficiency and lower

A minority stake in Singapore Telecom was floated in 1993 and the Public Utilities Board, which will be renamed Singapore Power, is expected to be listed later this year. "What we are now doing," says Mr Lee, "is to privatise the services which have remained non-corporatised as statutory boards: Singapore Telecom, eventually the Public Utilities Board, the port, and maybe one or two others are conceivable."

Apart from improving the operation of the companies concerned, the government had a further ambition for the privatisation process; to give Singaporeans a stake in their economy, "There are people who have never owned shares in their lives and you just want them to have a little bit in their piggy bank," says Mr Lee. However, the targeting of the issue has made it difficult for the government to achieve another of its long-term aims: improving the depth of the stock market.

Much of the Singapore Tele-



World Trade Centre, Singapore

hands of local investors, who were given incentives in the form of lovalty issues of bonus shares to hang on to their holdngs. Since Singapore Telecom floated at a high price-earnings multiple by international standards, the result is that only 2 per cent of the company is owned by international investors. Liquidity in the issue is

The company's plans for expansion have focused on the overseas market

not that great. However, that may change

The government, which still owns nearly 90 per cent of the company, has said that it may issue further tranches at a later date. That raises the possibility that the stock, which is large in market capitalisation terms, could be included in the Morgan Stanley Capital Index. making it likely that more international fund managers

Singapore Telecom has an effective monopoly on the island (competition will be allowed in the cellular market in 1997 but the traditional business is safe until the next decade). Inevitably, therefore, the company's plans for expansion have focused on the oversees market.

Mr Lee Hsien Yang, Singapore Telecom's president and chief executive, says the company intends to invest internationally, particularly in the region. But as the rate of liberalisation is faster in Europe, it has also seized the opportunity, as part of a consortium, of taking a substantial stake in Belgacom, the Belgian telephone group.

Singapore's links with China mean that some people hope that Singapore Telecom could be a way of playing the China story but Mr Lee Hsien Yang says that "China is an exciting opportunity but the role of the foreign investor is constrained. "The projects which are given out are in smaller

It is not clear whether the government will change its flotation approach for the issue of Singapore Power. The deputy prime minister admits: "Singapore Telecom was a learning exercise." But it seems likely that, once again, the issue will be targeted at private investors, who will be able to use money from the Central Provident Fund, Singapore's compulsory savings scheme, to buy

Mr Lee says: "Singapore Power is not a straightforward exercise because you've got to restructure. We've already divided (the company) into several subsidiaries but we're not planning to float them separately. Eventually, in five to 10 years' time, we may well have two (power) companies operat-

Privatisation in Singapore has been a quite different process from that in the UK. The government has retained majority stakes and there is no chance of the takeover suree that characterised Britain's regional electricity sector last

But in a small country where the government is eager to foster a sense of social cohesion. privatisation is a useful way of tving citizens into the capitalist system and giving them a day-by-day reckoning of how the country's wealth is grow-



Orchard Point shopping centre: Tourist spending accounts for up to 50 per cent of sales on Orchard Road

has i'll

plan5

priva:

dust h

1 11.17

7277 450 450

22.7 1.75 2.77

 $j^{(i)}$ 

47°ε. 100 - Σ

■ Retailing: by Edward Luce

# mes on

Department stores are suffering, but niche chains and suburban centres are doing well

Singapore's days of indulging in a spate of seemingly endless shopping binges appear to be over. Once known as the emporium of the east", the island state's retail sector is getting used to harder times as most leading department stores face a third consecutive year of losses.

The combination of a strong Singaporean dollar, which has appreciated by over 20 per cent against the US dollar since 1992, and fierce competition from regional capitals, such as Jakarta and Kuala Lumpur, have put an end to the era of double-digit annual sales growth.

With one or two exceptions, most analysts expect Singapore's upmarket stores to remain in the doldrums for some time to come. "The situation is quite depressing," says Ms Eunice Lee, a broker at Barings Securities in Singapore. "A coincidence of factors, including oversupply, flat personal consumption expenditure and the strong currency suggest that it will not improve until 1996 at the earliest."

The scores of vast depart-Orchard Road - the city's famed shopping boulevard which used to attract high spending foreign tourists in their droves - are expected to fare worse in 1996.

Barlier this year Galeries Lafayette, the French retailer, announced it was pulling out of Singapore altogether after three frustrating years of losses. Last year Lane Crawford, the Hong Kong department chain, downgraded its Orchard Road site from five floors to two floors. Analysts say that it is only a matter of time before one of the big Japanese chains, such as Isetan, Takashimaya or Seiyu, retreat in similar fashion

1996 will probably be the year of the shake-out," says Mr Bernhard Eschweiler, an economist at J.P. Morgan. "The fact that there is oversupply of space and a lack of demand among consumers means that there has got to be a market clearing before the retail sector can be restored to health.'

Another barrier inhibiting recovery is declining tourist expenditure. At 7.1m arrivals, most analysts blame lower tourist growth on the strong dollar and the rise of air-conditioned shopping malls in neigh-bouring holiday destinations. Since 1993 tourist spending per head has dropped by 30 per cent to an average of \$\$551 while the average visit is stuck

at 3.4 days per person. Attempts to woo cash-rich Japanese back to Singapore with government-sponsored summer sales have so far made little impression. In an effort to combat the downturn in the retail and hotel sectors the government will later this year unveil details of a new publicity drive to attract tourists. The campaign is entitled: "New Asia-Singapore. So easy to ment stores and plush bou-tiques which dominate enjoy, so hard to forget." This replaces the long-running "Surprising Singapore" campaign, which had apparently ceased

> industry specialists, however, doubt the new tourist logo will be enough to tip the scales. Tourist spending accounts for up to 80 per cent of sales on Orchard Road but its overall share of retail spending is more like 25 per cent. A more serious problem is that Singaporeans are begin

ning to hunt for bargains else-

"Singaporeans are increasingly spending money abroad and looking for more competitive prices," says Ms Corrine Yap, a specialist at Richard Ellis, the British property group. "They are also devoting more of their expenditure to things like property mortgages

Rising property prices and the astronomic cost of buying vehicle in Singapore - the cheapest cars sell for around S\$80,000 - have eaten into disposable incomes while the growth of holiday travel has boosted the attraction of shop ping across the straits in Mal-

Added to this, the government's decision to levy a 3 per

Retail sales Inde	œ'
[1991= 100]	٠.
Year-end	
End-1993 - 108.4	
ForL1994 1074	ð

nd-Oct 1995.

cent sales tax on goods two years ago has scarcely had a beneficial effect on retailers. A study by J.P. Morgan shows that for every 1 per cent rise in gross domestic revenue collected from sales taxes, personal consumption expenditure declines by 1.5 per cent. The regression shows that a corresponding I per cent fall in income tax raises personal spending by only 0.3 per cent of GDP.

Another hitch, in what is a long list of problems conspiring to depress retail margins. is the island state's labour shortage. Growth in wage rates now regularly surpess the annual inflation rate. At 7.1 per cent last year, average

wages grew at twice the rate of inflation. Retail outlets are therefore faced with the twin problem of rising labour costs and difficulty in finding trained staff. The high demand for labour also feeds into a high turnover of employees.

Whichever way you look at it. Singapore's retail sector is going through a very difficult period," says Mr Eschweiler "On the positive side, retail prices are falling which is good for consumers. The combination of lower consumer prices and higher wage costs is, of course, bad news for the

However, the bad news in the retail sector has not been evenly distributed. Sales at the new suburban shopping centres in Tampines and Jurong East, as well as in the newlyopened shopping malls in public housing centres around the city, have been steadily rising. While this growth has not been enough to offset the overall net retrenchment in Singapore, specialists say that the market is becoming increasingly segmented.

Likewise, "niche" chains, such as Giordano, the Hong Kong clothes boutique shops, and Guess, the fashion chain have continued to do well amid the rising gloom. Analysts put this down to the increasing sophistication of the Singaporean shopper and the rising spending power of teenager

"A lot of specialist chains such as Warner Bros and Marina Rinaldi, are actually setting up in Singapore," says Ms Yap. "Consumers appear to be turning away from the undifferentiated products offered at department stores and going for brand names and fashionable labels. The evidence is difficult to miss: younger Singaporeans, are much more fashion-conscious

granite-paved halls and air-con-

ditioned underground plat-

forms still has only limited

but often slow and overcrow-

ded. Taxi fares are about half

those in New York, but long

queues form at peak periods

Among the main features of

and during shift changes.

Buses are generally frequent

reach in outlying areas.

Traffic problems: by Peter Montagnon

# Electronic pricing ahead transport planning."

The government has recently unveiled an integrated transport policy

It takes less than an hour to drive from one end of the country to the other, but Singaporeans certainly like to use their cars. At 18,600km a year, the average local driver notches up slightly more than his US counterpart and roughly half as much again as a Japanese

Despite the high cost of purchase - a typical medium-sized car costs nearly S\$130,000 in 1994, according to government flgures Singapore's love affair with the car is growing as its citizens become more affluent. So it is probably no coincidence that motoring has become a hot political issue. At one level the independence implicit in car ownership by Singapore's represents the triumph of individualism over the philosophy of paternalism and collective responsibility on which the country was built.

At another, more practical level a coherent approach to transport is perceived by the government as essential so as to safeguard future economic growth and avoid the pollution and bottlenecks which have brought other Asian cities, such as Manila and Bangkok, to a grinding halt. In that sense it belongs to the tradition of careful forward planning and good government on which the ruling People's Action party seeks to base its

The result has been an inno- The policy aims to build what it calls 'a world class' transport system

vative integrated transport policy unveiled in January in a white paper by the Land Transport Authority (LTA), a body formed last year by the merger of the mass transit, road, public works, vehicle registry and land authorities.

At a cost of some S\$20bn over the next 10 to 15 years, the policy aims to build what it calls "a world class" transport system. The objective is to provide for a gradual but limited increase in the ownership of cars, while keeping traffic flowing and vastly increasing the availability, choice and quality of public transport.

"We cannot manage demand for cars without providing a good public transport alternative for those affected," says Mr Mah Bow Tan, communica-tions minister. "We cannot improve public transport without managing usage of roads and integrating land use and

The white paper, he says, will be a means of providing "a kind of social contract among the government, the people, and the transport service providers on the kind of land transport system we want". The ideal established in the white paper is to emulate the Swiss city of Zurich. It boasts one of the best integrated public transport systems in the world with 75 per cent of downtown journeys accounted for public transport. That compares with only 51 per cent in Singapore.

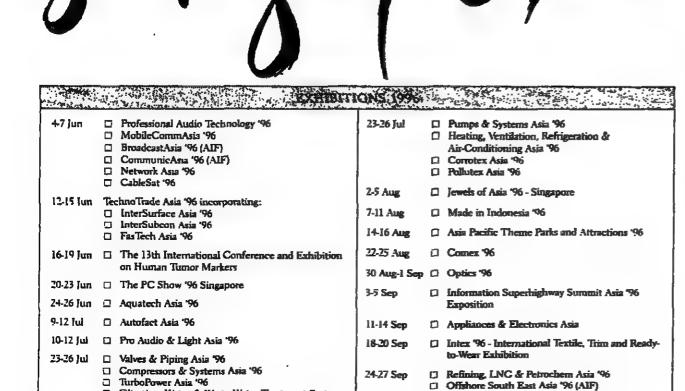
Though Singapore's existing transport system is a great advance on that of other regional centres, it still has glaring deficiencies. A new 16km mass transit line, opened this month, has sharply reduced travelling times from the north of the island to the industrial west. But the swish

the white paper are: Policies to develop the pad network and make usage more efficient. The government plans to spend S\$1.1bn on another 225 lane km over the next five years and is considering a S\$4.8bn system of underground roads which would speed traffic flows in the city centre. It is to introduce electronic road pricing next year to raise the cost of driving in the most congested areas, and plans to maximise the use of technology to eliminate bottlenecks, for example by automatically co-ordinating traffic light All these measures should enable the road system to

accommodate more cars. The ratio of car ownership to population is expected to rise to 1.7 by 2010 compared with 1:10

 Improving public transport The white paper allows for the construction of an additional 56km of mass transit railway to serve heavy traffic corridors. Light rail systems, such as trams, will be introduced as feeders to the system in suburban areas as well as in the city centre. Measures are to be taken to increase the quality of bus services, for example by ity - at some intersections "intelligent" traffic lights will

Continued on facing page



Centre



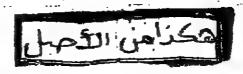
25-27 Sep

☐ Filtration, Water & Waste Water Treatment Sys

Asia '96

□ COMDEX Asia at Singapore Informatics '96

Singapore appeal.



# International Monetary Exchange: by Philip Coggan

# Barings crisis tests market

An advisory panel has put forward plans for the way forward once the dust has settled

A year has passed since the Barings crisis, which suddenly catapulted the Singapore International Monetary Exchange (Simex) into the world's financial spotlight.

Perhaps the most remarkable result of the crisis has been how well Simex emerged from the process. In the first few days after the news of the Barings failure broke, the exchange managed to settle the bank's outstanding position. How the exchange did the trick is not exactly clear some bankers think the government helped take some of the financial strain but official

even managed to return some lower than in the same period in 1994. for international confidence in Singapore's status as a financial centre, the market continued to function.

Furthermore, an impressively detailed report ensured that it was authorities in London rather than Singapore which shouldered the bulk of the blame for the fall of Bar-

Volume on the exchange actually increased by 0.8 per cent during 1995, not an impressive growth rate by the standard of previous years, but not bad when some other futures exchanges in the world were recording double-digit declines. Ironically, the large positions built up by Mr Nick Leeson, the Barings trader, may have played a part in this volume from March to

The authorities point to the aftermath of the Daiwa Bank scandal as hitting volume in the last three months of the year; derivatives-related problems such as the financial collapse of Orange County. California, 'also made institutions cautious about using futures markets in 1995. Traders seem supportive of the official line, saying that liquidity has continued to be

Things have so returned to normal that Barings - or rather its new parent, ING resumed trading on Simex in December. Loose ends still need to be tied up. The authorities have yet to decide whether they will take action against other Barings staff such as Mr James Bax and Mr Simon

investigation, and what will happen to the cash left after the liquidation of Barings

Preventing a repeat of the Barings crisis is obviously the top priority for Simex. A review of procedures undertaken by a Blue Ribbon Advisory Panel which reported in October made six broad recom-The exchange should:

ate those in place, regarding customer protection with respect to proper margining of positions, segregation and trading floor practices; • upgrade Simex's clearing system to incorporate real-time clearing, settlement and critical risk management systems; establish confidential infor-

mation-sharing arrangements

establish a requirement for

establish rules, and re-evalu-

"One of the most important things we can do," says Mrs Elizabeth Sam, the Simex

exchange's operations.

chairman, "is to upgrade our reporting systems, including clearing real-time. We think as more contracts are traded, the faster we can clear the better. We are also going back now and reconciling the figures." More staff have been added

clearing members that a senior

officer of the firm be registered

enhance Simex's market sur-

veillance department and

establish a large trader report-

in from the US to review the

with the exchange;

new regulatory and risk management division being created: it has 68 employees comnared with 48 who worked for the equivalent areas in February 1995. Simex hopes to increase this to 75 although the exchange, like many other financial services operations in Singapore, faces the problem of rapid turnover, particularly with staff leaving to join mem-

علد امند لأص

ing system which will enable ber firms. "We would like to ensure the exchange to determine the that something like this never ultimate owner of large posihappens again and our task is to put in place a system of The exchange accepted all of the panel's recommendations surveillance and reporting to and also those of Dr Roger minimise the chances of such Rutz, the consultant brought an incident," says Mrs Sam.

Traders appear to have accepted the need for more stringent regulation and several firms have joined the exchange since the Barings crisis, including Cargill, GNI, BNP Futures and NatWest

The steady rise of Singapore as a financial centre gives a solid base to the exchange's prospects. Simex is the fourth largest futures exchange in

in the supervisory area, with a Asia, in volume terms, behind two Tokyo markets and the Sydney exchange in Australia The main Simex contracts, in terms of volume, are the interest rate plays, the Eurodollar, with 34.6 per cent of total turnover, and Euroyen (27 per cent), and the Nikkei 225 (26.6 per cent); options on the Nikkei are growing in

> The crisis may have helped by highlighting the orderliness of the market

importance.

A link with the Chicago Mercantile Exchange, which provides mutual offset on the Eurodollar contract, has helped turnover to grow, as has a perceived cost advantage over the Osaka exchange on the Nikkei contract. Business is roughly divided between regional, European and US traders with regional groups

marginally predominating.

Pushing the exchange forward, once the Barings dust has settled, may require a wider contract range. "Every exchange's ambition is to be the leader and we should get there by providing contracts that have an interest on a

regional basis," says Mrs Sam. Possible additional contracts would be one based on the US treasury bond, further energyrelated contracts (Brent crude is already traded via a link with the International Petroleum Exchange) and a southeast Asian stock market index, once a satisfactory one is

In a perverse way, the Barings crisis may actually have helped the exchange's ambition by highlighting the orderliness of the market. The fact that Simex was able to unwind the Barings position so quickly without disruption to its market caused some to make favourable comparisons with Osaka. All the same, one gets the sense that Simex would rather not have to prove itself in the same way again.

# Electronic road pricing

Continued from facing page

turn green when they detect an approaching bus. The white paper says it

wants to use competition to promote efficiency in providing bus services and increase choice through the availability of premium buses which offer greater comfort and service. But it comes out against unfettered UK-style deregulation. which it says has led to excess competition on popular routes and discouraged operators from renewing their fleets. To achieve an integrated system, Singapore will expect private operators to ply all routes, even unprofitable ones, at prescribed frequencies and regu-

lated fares. • Co-ordinated use of town planning to ensure that more high rise developments are concentrated round mass transit stations. The white paper says this "will ensure maximum accessibility for commuters to key nodes of employment, housing, leisure and other social activities".

• A change in the financing philosophy. Whereas the government still believes that public transport should be salf-fin-

head

ancing at the operating level, it now says it will cover the replacement cost of rail assets rather than just its historic cost as in the past. Since users will not have to contribute to future replacement of trains and track, this will help keep fares reasonable, but each generation will still pay for the capital investment from which

It has actually benefited. Ultimately, the new system should offer the public a high degree of choice with a corresponding range of prices. Ricctronic road pricing will increase the proportion of motoring costs that come from usage and reduce somewhat the emphasis on the high initial cost of car purchase.

But the LTA plans to retain the system of certificates of entitlement whereby would-be car owners must bid for the right to purchase a car. It is this, above all, which keeps their cost high. Moreover the white paper expresses reservations about a proposal that some certificates should be issued through a ballot rather than by auction to make private motoring accessible to the less well-off.

of this aspect of the plan has been muted. Parliamentary debate on the white paper last month focused less on the cost of motoring and more on the time it would take to get the new transport system up and running, as well as on worry about the cost of fares.

"For a world class system, the general standard has to be high and no part of the system can really be sub-standard," says Mr Kanwaltit Som, a nominsted MP. "But our fares cannot be world-class because a certain proportion of the workforce finds even the present fares a financial burden."

For their part, government officials deny that there is any alement of coercion in the new

Indeed, the philosophy behind the white paper is typically Singaporean in that it relies on a market-pricing approach to achieved a carefully planned social objective. Singapore may have had the foresight to move early but it believes that eventually the type of system it is developing will have to be adopted by governments elsewhere which are currently less willing to take In public, at least, criticism on the private motorist.

Stock exchange: by Philip Coggan

# Nominee comes to the aid of the Clob

Malaysian shares can still be traded, despite Kuala

Lumpur's switch to a scripless market

The Singapore stock exchange has a problem. How does it play its part in fulfilling the island's hopes of becoming a regional financial centre when the economy, and thus the market capitalisation of the ge, is small compared with the country's neighbours?

The problem is exacerbated by the exchange's uneasy relations with neighbouring Malaysia. Before 1973, the two exchanges were one, albeit with separate trading floors in Kuaia Lumpur and Singapore. Even after the split, shares were freely traded between the countries until the start of 1990, when Malaysia decreed that none of its companies could be traded on the Singapore exchange.

Singapore responded by creating Clob (Central Limit Order Book) International, a

system for trading foreign shares on an over-the-counter basis. With many Singaporeans interested in investing in Malaysian stocks, the success of the Clob system meant that, at times, trading in Malaysian shares constituted 50-60 per cent of the volume

on the Singapore exchange. But the exchange now faces a new threat, Malaysia's move to a scripless market means that, in future, share trades will need to be registered on the Kuala Lumpur exchange computer.

Previously, paper certificates could simply be transferred between investors in Singapore with no need to notify the Malaysian authorities. Some predicted the change would mean the death of Clob International. But the Singaporeans are

not so easily defeated. The Singapore exchange's settlement system, the Central Depositary (Pte) or CDP, has its own account with the Kuala Lumpur exchange. Since CDP acts as a nominee for Singapore investors, trade

between them in Malaysian shares can be subsumed within the CDP total.

However, the Singapore exchange's international interests extend beyond Malaysia. It hopes to attract regional mies to list on its foreign board, established in Decem-

Exchange	CHLHOAAL
Year	SSon
1986	8.0
1987	. 22.5
1988	12.7
1990	36.6
1991	30.5
1992	29.4
1993 1994	127.8 123.5
1995	85.7

ber. In particular, the aim is to attract companies engaged in regional infrastructure projects: the minimum requirements are for them to be worth at least \$\$300m and to have 15 years to completion.

efforts to build up the foreign Another development which should improve liquidity is the board, the exchange has privatisation programme. allowed non-members access Singapore Telecom has already to its computer system so they been floated on the market can trade in regional stocks. and Singapore Power is set to be listed this year. Because the

The exchange has made enormous strides over the past 10 years. Volume has grown from just \$88bn in 1986 to a

> A safe haven in a region which sports some

The exchange is technically advanced. Shares are traded via a computerised orderdriven system and private investors, an important factor in the market, are now able to buy and sell shares at local bank branches using their

Telecom float was targeted at

private investors who are

"locked in" via the prospect of

bonus shares, the listing has,

as yet, been of marginal help

in improving the depth of the

market, but the gradual accu-

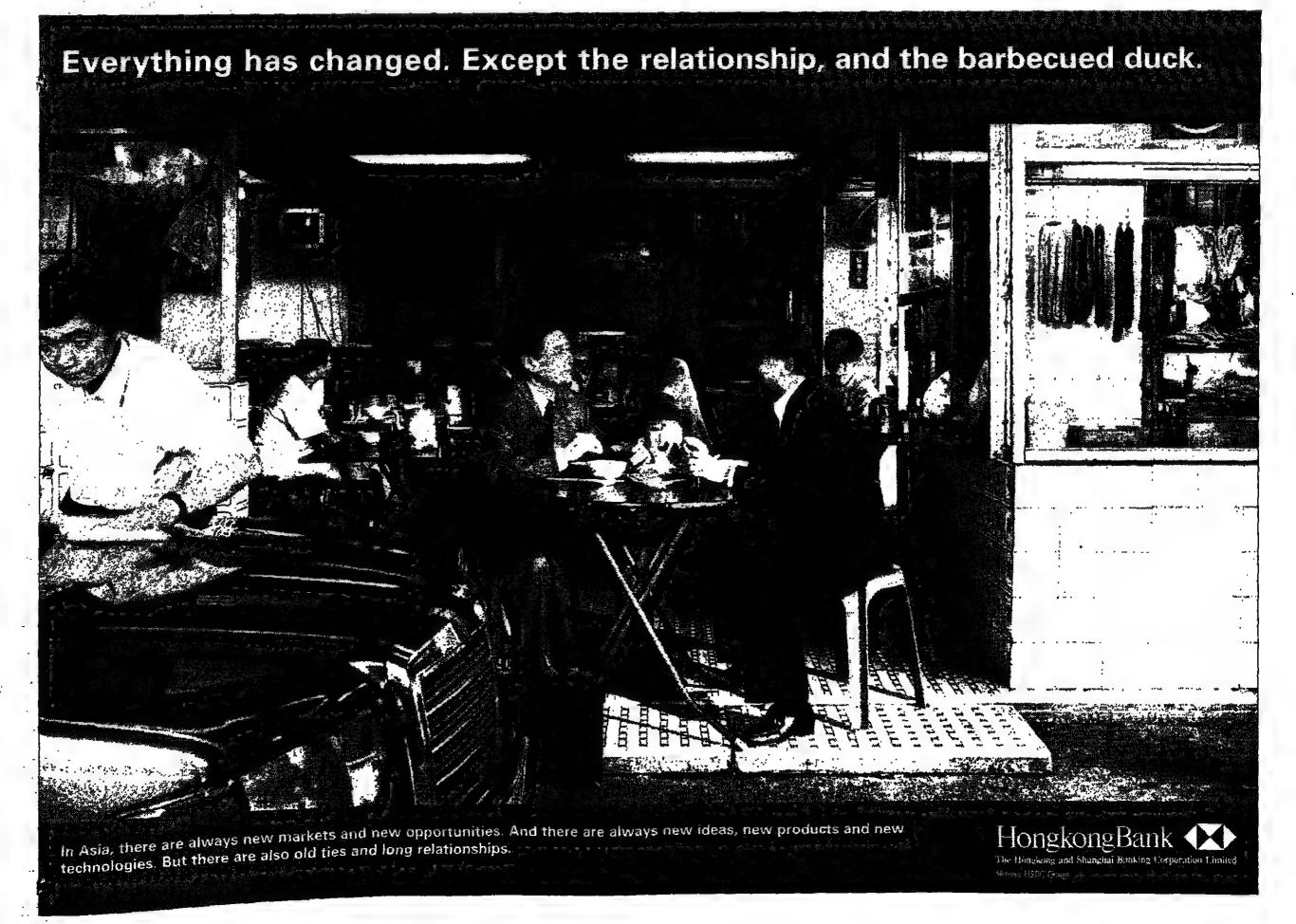
mulation of privatised stocks

should do the trick in the long

Foreign brokers are able to operate in the market, either via joint ventures with local brokers or as international members trading purely for overseas clients (although they can act for Singaporeaus with over S\$5m). As part of its volatile bourses

peak of S\$127.8bn in 1993, although it fell to \$\$85.7bm in 1996, a poor year for emerging markets. The exchange had a market capitalisation of S\$261bn at mid-1995.

Singapore's stock market is seen as a comparative safe haven in a region which sports some volatile bourses. The challenge for the next 10 years will be to maintain its improvement when other exchanges in Asia, with larger pools of domestic investors, are striving to catch up.



Banking: by Philip Coggan

# to its size

Why a state with a 3m population may stav a significant trade centre for the foreseeable future

Banking is probably the best example of how Singapore has an importance in the Asian economy that is out of proportion to its size.

The domestic banking market is small - inevitably so for an island with fewer than 3m citizens - and dominated by four local banks, the Development Bank of Singapore, Overseas Chinese Banking Corpora tion, Overseas Union Bank and United Oversens Bank.

Yet Singapore is the world's fourth largest centre for foreign exchange trading, is an important regional market for syndicated loans and trade finance and has a good chance of taking a substantial share of what will be a growing securities market. Figures from the Monetary Authority of Singapore show that some 142 commercial banks and 77 merchant banks operate on the island.

Banks are not moving to the island because of its cost advantages; the appreciating Singapore dollar means that the city state is fast becoming as expensive as Hong Kong. There can also be problems with the island's tight labour market; while Singapore is producing highly educated graduates, their expectations are high and the result is rapid staff turnover. While many overseas banks bring in expatriate workers for senior jobs, there can be particular problems in recruiting and retaining staff at the cierical

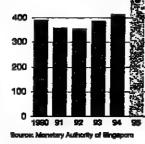
Nevertheless, Singapore's infrastructure, particularly in transport and telecommunications, its efficient regulatory system and its established base of overseas banks mean that it looks likely to be a significant banking centre for the foreseeable future. Some see Hong Kong increasingly as the financial centre for China, while Singapore will perform the same function for the Assen region.

The island's flourishing role as a foreign exchange centre started with the development of the Asian dollar market in the late 1960s. Some bankers suspect that the Monetary its vast foreign exchange reserves and the Government of Singapore Investment Corporation have also belped to build up the market.

According to the most recent Bank for International Settlements survey, based on data collected in April 1995, Singapore's daily foreign exchange turnover was \$105bn, ahead of Hong Kong's \$90bn, although well behind the volume generated in the big three centres of London, New York and Tokyo, Almost half the turnover is in US dollar-mark and dollaryen trades but local bankers say that trade in regional currencies, such as the Thai baht and Indonesian rupiah, is increasing. Citibank has 13 people in Singapore trading in regional currencies, including several in derivatives.

"Singapore will become an increasingly important foreign

Asia dollar murket



exchange centre. If Europe harmonises on a single cur-rency, then market activity will move to some of the Asian regional currencies," believes Mr Seamus Doherty, regional general manager (Asia-Pacific) of Allied Irish Bank

Another growing area of business is the syndicated loan market. The cash-rich Singare banks are a natural outlet for funds for the growing south-east Asian economy, especially as the Monetary Authority of Singapore is pashing banks to increase their overseas business, as part of the government's regionalisation drive. Loans are predominantly conducted in US dollars, however, since the government has no wish to see the Singapore dollar

> Hong Kong may become China's financial centre. while Singapore performs the same function for the Asean region

become internationalised.

was that much of the Asian syndicated loan business was originated in Hong Kong and booked in Singapore for administrative reasons. Now, however, Singapore gets its

According to the United Overseas Bank, the syndicated loan market has grown very quickly over the past five years, and funds have been raised for borrowers from Indonesia, Thailand, and

worth over \$5.26bn in 1995. The emphasis is on lending to the region since the larger Singapore companies tend to be cash-rich with little need to borrow. Indeed, according to Mr Craig Grover, of the corporate and institutional banking in the region. division of Standard Chartered The government has put in Singapore, cash management is becoming more and more of an issue for many

ing their cash more quickly and invest it more efficiently. Trade finance is an important area of banking activity, especially as the fast growth of the Asian economies has led to a rapid rise in intra-regional trade. As a trading centre for the region, most Singapore companies have operations outside the country.

One area in which the banks

groups. Banks are offering

pooling and sweeping services,

helping companies to collect-

China. The Development Bank

of Singapore, which is the

leading bank in the syndicated

loan business in the island

state, accounted for 45 deals

may have scope for expansion is in corporate finance, particularly securities issuance. With margins tight in the lending business, banks are keen to build up their feebased activities. "There are plenty of infrastructure prolects in the region which will need to be funded and as the economy matures, people will become more interested in investing in debt," according to one locally-based banker.

Some overseas banks are involved in the retail market. notably Standard Chartered and Citibank, which also recently assumed responsibility for a new system designed to speed up the clearing of US cheques on the island. Foreign banks also have a niche in the private banking market, especially as there are large numbers of expatriates on the

But the local banks dominate the retail market, which is sophisticated by international standards, with widespread use of automated teller machines and credit cards. The big four banks are well capitalised and very profitable, reporting profits of over Stibn in the first half of 1995. Their main problem may be that it is easier for them to accumulate deposits than make loans. Given Singapore's small size

and expensive property martually generate a bubble. But the watchful Singapore authorities are trying to keep a lid on the situation; banks are limited in their proportion of their capital they can devote to property lending, tial property have been increased and the government can make sales from its extensive land bank to satisfy

Financial services: by Philip Coggan

# Out of proportion It's just a small problem

Because of the island's size, the market must act as a regional hub to attract companies

A successful financial services sector is an essential part of Singapore's long-term development plans. Financial services offer the kind of high value, high-tech businesses in which Singapore has a competitive advantage over its neighbours

much effort into building up the financial sector, setting up the Asian dollar market in 1968, for example, which has helped make Singapore the world's fourth largest centre for foreign exchange trading. establishment of Simex in 1984 added a financial futures market a development which helped build up the financial sector's critical mass, notwithstanding all the headaches which resulted a decade later during the Baring crisis. But one problem which con-

tinues to face Singapore is its small size. The domestic Singapore market is simply not large enough to attract financial services companies on its own: the island's attractions are mainly as a regional hub. In September 1994, Mr Lee

Kuan Yew, senior minister, admitted in a speech that "our fund management industry is still small compared with other centres". He announced a series of measures designed to entice fund managers to set up shop on the island.

The measures concentrated on opening up the Central Provident Fund, the compulsory savings scheme which Singapore uses to provide for workers' retirement, medical costs and other commitments such as life insurance. Up to 40 per cent of a worker's can go into the CPF.

approved CPF unit trusts became able to invest up to 20 per cent of their value in foreign stocks and bonds listed on the Stock Exchange of Singapore. Larger investors, with balances of over S\$200,000. were given latitude to invest in regional markets.

In 1997, these limits will be expanded. Approved unit trusts will be able to invest in regional stocks and have up to 40 per cent of their portfolios in foreign currency-denomi-

The third stage will occur in 1999 when unit trusts will be allowed to invest in global markets such as the US, Germany and Japan.

In addition, the government has decided that its statutory bodies and the Government of Singapore Investment Corporation (GIC) will park some of their funds with private sector fund managers. These moves seem to have succeeded in attracting some fund managers to the island, with Murray Johnstone and Henderson being recent arrivals.

As yet, however, the amounts of money that fund

The vast Asian continent can easily handle two centres

managers have attracted as a result of the reforms are reletively modest. Individuals with CPF accounts can invest in unit trusts only if their balances are fairly high - and even then Singapore investors have a long-standing tendency to prefer direct equity pures rather than the indirect route of buying a fund.

And government money may only emerge slowly. government agencies have plenty of cash but they have

WELCOME TO

WINDOWS 95

THE WORLD OF

capital spending commitments which may limit the amount which can be exposed to equity says Mr Richard Mountford, deputy chairman of Investment Schroder Management (Singapore).

Mr Mountford, like many other overseas fund managers, sees Singapore as "the obvious place to do regional investment

Mr Peter Hames, a director of Abtrust Fund Managers (Singapore), says that the sland is "a great place for fund management business. The legislation is supportive and the tax rate is good and competitive with Hong Kong.

According to Mr Christopher Wong, managing director of LGT Asset Management in Singapore, the island "offers very good access to the region with a good airport and telecommunications." As yet, other regional centres such as Malaysia cannot match it. For the moment, the real

competitor for Singapore is Hong Kong. A few companies moved from Hong Kong to Singapore after the Tianan Square affair. But there has yet to be any sign of a mass exodus from the colony in advance of the 1997 handover of power to China. Few expect companies to switch to Singapore over the next year, on the grounds that those who were planning to move would have done so already.

Many believs, in any case. that the vast Asian continent can easily handle two financial centres, with Hong Kong likely to be increasingly seen as the financial centre of China, Fund management companies may have one office there and another in Singapore to handle some have that arrangement already.

in the past, some financial services companies preferred Hong Kong because of its more



anore-based dealers in frantic trading on Simex last year. Some said to have lost millions in the Barings debacle

liberal securities laws. But. increasingly Singapore's wellrun regulatory system is being perceived as a strength. For south-east Asian investors. Singapore is coming to be perceived as a "safe haven", where political risk is low and the environment is friendly to business and international capital. Some tag Singapore "the Switzerland of Asia".

Some astimates say that around US\$48bn of regional assets are managed out of Singapore, not far behind Hong Kong's US\$52bn. Singapore may have to work hard to stay ahead. Malaysia, described by one manager as being "more creative in opening up to fund managers than Singapore", may be a threat in 10 years'

time. Indonesia, the fourth largest country in the world in terms of population, is another: long-term threat. Eventually, fund managers may want to move to these countries to gain access to the potentially large retail markets.

port.

Visit

Hear

For the moment, however, the infrastructure and critical mass to continue to attract international financial services

As the CPF opens up further and more government money becomes available to overseas fund managers, the local martive. But, inevitably for such a small state, Singapore's role at a regional hub is the key to its

The media: by Edward Luce

# The 'intelligent' choice

Libel laws may be tough, but the island state still attracts big

overseas groups

The recent hullabaloo over Singapore's tough libel laws has given the island state a ern journalists. The successful prosecution of two libel suits has focused the debate on the city's stringent media laws.

What has been largely overlooked in the process, in an irony which has clearly been lost, is the island state's growing role as a hub and regional headquarters for international

Asia, Walt Disney Television, the Home Broadcasting Organisation, ESPN (the sports channel) and Reuter's technical services have taken advantage of breaks and modern telecommunications system to choose Singapore as their head office for the Asia Pacific. The Econ omist. Fortune and the IHT are

headquarters for Asia: The increasing popularity of Singapore as a media headquarters for the region has gone hand in hand with the declining attraction of Hong Kong - once the obvious choice for English language media services in Asia. Media

executives say that this trend

among the growing list of pub-

Singapore as their printing

In the last year alone, MTV is likely to continue.

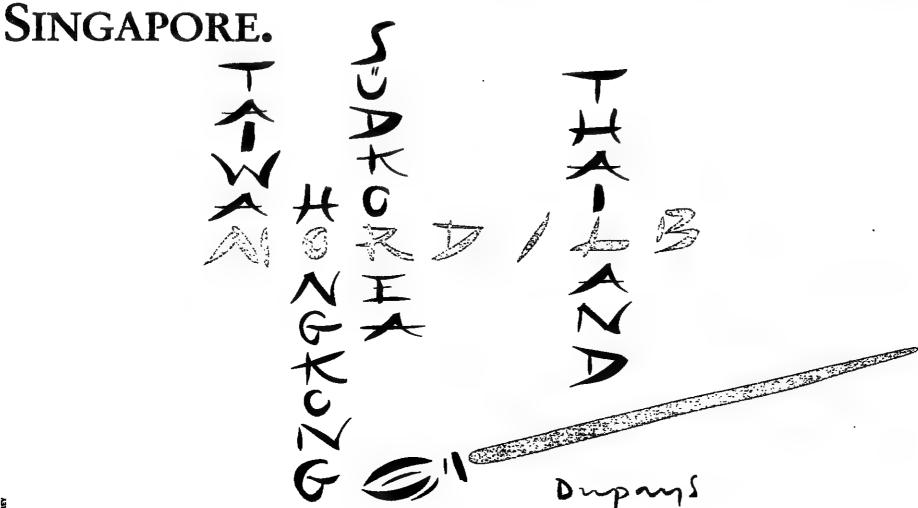
"In Hong Kong the regulatory environment is still Graves, managing editor of Asia Business News (ABN), a the city state's generous tax, talevision company based in Singapore. "China has not specified what will happen in broadcasting after 1997 and ed Hong Kong salience as a regional centre.

ABN, which is 50 per cent owned by Dow Jones, the US information group, was offered an eight-year tax holiday and other substantial incentives when it chose Singapore in 1988. ABN executives say that the only other serious alternative considered apart from Hong Kong was Kuala Lum-Singapore's more

Continued on next page

# YOUR PARTNER IN THE EAST ASIAN MARKETS: NORD/LB

ith hundreds of orders before its official issued



Singapore is an attractive and dynamic location offering very interesting prospects. For companies and banks alike. As one of Germany's leading banks, NORD/LB offers in Singapore the entire spectrum of services expected from a professional bank by companies active internationally.

OUR OFFER:

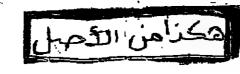
Get to know us and our services. We look forward to receiving your call. Phone: 0065/323 1223 (General) 0065/3234414 (Dealers)

Fax: 0065/3230223 (General) 0065/2213160 (Dealers) 6 Shenton Way # 16-08, DBS Building, Tower 2, Singapore 0106

NORD/LB

NORDDEUTSCHE LANDESBANK GIROZENTRALE

Hannover - Braunschweig - Magdeburg - Schwerin Hamburg · Frankfurt · Luxemburg · London New York - Singapur



The port: by Edward Luce

# Remote control comes aboard

Measures are in the pipeline to establish a "virtual port" offering 'virtual terminals"

In one sense, very little has changed since Sir Stamford Radies established Singapore as Asia's leading shipping entrepot early last century. More than 150 years later, Singapore is Asia's and indeed the world's largest port in terms of overall shipping ton-

In another sense, however, Sir Stamford would probably be feeling a little out of his depth by now. With measures in the pipeline to establish Singapore as a "virtual port" offering "virtual terminals" and "virtual dedication" services to established shipping lines, Singapore's state-owned port is on the brink of rein-

venting itself.
Conscious of growing competition from neighbouring rivals such as Jakarta and Manila, as well as the more established rivalry with Hong Kong, which, at 12.6m TEUs (twenty equivalent units) a year, just outranks Singapore as the world's largest container port, the Port Authority of Singapore is surfing the Net for the mort of the future. Interfacing with clients on the digital high-

way will soon be the norm. We are conscious of the fact that port services around the



world and especially in Asia, where trade is growing faster. than anywhere else, are becoming flercely competitive," says Mr Devid Lim, executive director of the PSA, "Although we believe we run the most efficient port in the world, we cannot afford to be complacent."

Mr Lim says that within a: decade Singapore will have the capacity to tranship more than 30m TRUs a year, which is more than three times the largest capacity in the world. A S\$7.1bn investment in a new container terminal will add 18m TEUs to Singapore's capacity, with 29 new berths. More importantly, however, will be the manner in which

the new port is operated.

Already, under automation schemes recently put in place nals have been installed on shipping yard cranes which reduces manpower by up to 80 per cent. Under the new system only one operator is needed to control four cranes simultaneously. Under another system known as "BoxNet". lorries exiting the port automatically signal the gate clearance authority which electronically stamps the vehicle's exit permit, thus eliminating the need to stop. The flow of traffic is therefore continuous.

The emergence of digitalised remote control facilities -

spurred on partly by the exorbitant cost of labour - has also broken ground with unloading technology. Mr Lim says that the PSA has managed to fit seven cranes onto one ship at a time in what is claimed as a world record. The PSA plans. however, to keep it to a maximum of five cranes.

With more than 100,000 shins stopping at Singapore every year and up to 80 vessels loading and unloading cargo at any one time, the PSA is increasingly having to pre- and postmanage the ship's other desti-nations. Under a new scheme being offered to shipping lines, maritime freighters need no longer reserve a fixed "dedi-cated" terminal to access at each call. The PSA says it can provide an alternative "virtual terminal" which allows the line to contact Singapore elec-tronically in advance, stating its needs - turnaround time. TEU capacity and so on.

In addition, for freight bound into Singapore, the authorities have set up a system known as "TradeNet", which allows importers to clear papers and authorise permits by computer in a matter of minutes. Sineapore eventually aims to install wholly paperless trading system. "Things are changing too fast actually to predict what is round the corner." says Mr Lim. "All we can do is adapt the latest technology as quickly and efficiently as possible and offer it to our clients."

Restaurants: by Edward Luce

علد امنه لاعل

# Keep the stomach guessing

A short (but stimulating) guide to one of the most diverse culinary spots in the world

Suffering from persistent migraines? Have the kids been yelling all day? Why not try a deep-fried scorpion with minced prawns on toast? The little creature's sting is guar-anteed to ease that headache. Or perhaps your lungs have been giving you trouble. If so, dozen crispy black auts on shredded potato? Better still especially if your blood circulation has been singgish recently - try drinking a stiff glass of deer's berbal wine. It'll get those arteries gumping in no time.

Singapore's Imperial Herbal restaurant is evidently not for the squeamish. This unusual eating house, however, serves as an effective rebuke to those who dismiss Singapore as a dull city. One of the best cures for the many who write off Singapore as little more than a giant shopping mall is to sample one of the restaurant's 127 ultra-exotic dishes ranging from an ox tendon hors d'oeuvre to frog's gland soup (confusingly named "Buddha mus over the wall"i.

If detailed advice is required, you can contact a addent Chinese herbalist for a few startling prescriptions. Failing that, most items on the menu are accompanied by full descriptions of their medicinal properties. You can take a bowl of double-boiled soft-shell River Turile soup with Cordycep which, according to the enthused chef, is a "yin, an energy tonic, [which] disperses coagulations, strengthens the body's immune system and prevents

cancer". All for S\$20 a bowl. Or you can "preserve the original colour of your hair and lower your blood cholesterol" by wolfing down a dainty plate of Multiflorum jelly for dessert. Perhaps the most cost-effective dish, however, for only \$86 per person, is a bowl of LingZhi (Gamoderma Lucidum) soup which "is beneficial for the following eses: cancer, hypertension,



coronary heart disease, arteriosclerosis, insomnia, chronic henatitis and asthma". Indeed. the only thing not listed on the menu is a "healthy lashing of hyperbole". Officials from the Trades Description Bureau could have their work cut out. Devotees of western medi-

cine or those with sensitive intestines need not lose heart though, Singapore can rightly claim to be one of the most diverse culinary spots in the world. The former British colony is an officially multiracial society with a substantial Tamil Indian and Sri Lankan population (approximately 5 per cent of the city state's 2.9m inhabitants), several hundred thousand ethnic Malays and Chinese originating from most of the homeland's southern provinces, including Hainan, Pujian,

Guangdong and Yunnan. Singaporaphobes - those with the habit of discarding cigarette butts at random might boost their morale by visiting Little India on a Sunday evening. The sprawling quarter, cluttered in subcontinental fashion with bargainprice emphoria, betel-nut stalls and pantheistic shrines, will find some of the best value cooking in Singapore as well as streets littered with smouldering cigarettes. Nico-tine enthusiasts should note, however, that the Singaporewide ban on smoking inside air-conditioned restaurants is enforced in all parts of town.

Packed to the brim on Sundays with Singaporean Indians and many of the city state's thousands of Bangladeshi and Sri Lankan guest workers, the district houses a wide range of good quality Indian restanrants. If fish bead curry seems a touch risqué, the Kaabaikudi Banana Leaf restaurant, which is run by a Singaporean born in Kerala, makes a challenging alternative. Eating dahl and rice with your fingers without licking them is almost as difficult as eating a doughout without licking your lips. Extracting the meat from a hardened grab with one hand is an even more daunting task.

If you want to keep your stomach guessing, what's next on the menu head for the East Coast Seafood centre the following evening. Here you can dine outside overlooking the sea and surrounded by bubbling tanks of large crayfish and unsuspecting lobster. Pastidious Singaporeans ship their giant crab from Sri Lanka to ensure that the "Sri Lankan Pepper Crab" is entirely authentic. More importantly, though, you are permitted to gouge out its contents with both hands, while watching the more experienced Chinese do it with chopsticks.

A number of hawker centres around the city, including the Newton circus which, like much of the city's beritage, is on the list for redevelopment, offer similar experiences. Even Bugis Street - once world-renowned for being lined with throngs of strikingly decentive transvestites - has become a centre for al fresco seafood dining. The contrast to eating inside one of the city's many indoor shopping centres could

not be greater. Perhaps the greatest contrast, however, and one to remind the stomach that not all in Singapore is a shock to the western metabolism, is to have a slap-up fried breakfast at the Singapore Zoo the next morning. As you devour your sausages, bacon and beans (excellent for the blood circulation and coronary problems) a tubby orang-outang sits opposite, gobbling down an array of exotic fruit. Afterwards, the mother ape and her baby are bappy to be photographed while you pat them on the head.

A gentler way of digesting might be to stroll around the zoo for a couple of hours and watch the animals eating their lunch. Singapore Zoo must designed in the world. Most of the creatures are housed in "natural" open air enclosures. The ambience is enhanced by the fact that the zoo is surrounded by river and jungle.

A word of warning however: This is not a Chinese herbal restaurant. The zoo's creatures have been put there to help educate people about the need for conservation. Therefore do not, under any circumstances, attempt to eat them.

# Make the most of your visit

Passports are required and must be valid for six months

from the day of departure. Citizens of the Commonwealth, the US and western Europe do not need visas. Other visitors are usually granted a 14-day Visit Pass if they meet the entry requirements: it is necessary to keep the stub of your immigration

card until you leave. However, nationals of India, China and the Commonwealth of Independent States do need visas, a requirement that is: relaxed only for some transit;

passengere. Immigration Department, 7th Boor, Pidemco Centre, 95 South Bridge Rd, Singapore 0105 (tel 532,877) But this is a time-consuling process, and it may be simpler to nip across the causeway to Johor Bahru in Malaysia and then re-enter Singapore on a two-week permit.

### Health

Singapore is not normally regarded as a risk area for malaria. Piped water is safe. Vaccination certificates are required for travellers who within the preceding six days have been in or passed through any country in which yellow fever is prevalent. Polio, hepatitle A, typhoid and tetanus inoculation is required. Immunisation against hepatitis B and diphtheria may also be rec-

Most big hotels have a doctor on 34-hour call, Pharmaceuticals are readily available over the counter. The Singapore Medical Centre, on the sith floor of Tanglin shopping centre, houses a large community of specialist doctors.

#### Languages

There are four official langnages. Malay is the national language and English is the language of administration. Mandarin is increasingly used among the Chinese in place of the main dialects. Tamil is also widely used. In 1992 the average literacy rate among the above was estimated to be 91.6

### Ethnic groups

In mid-1994, Chinese residents numbered 2.27m (77.5 per cent), Malays 415,900 (14.2 per cent), Indians 209,400 (7.1 per cent) and other ethnic groups 35,300 (1.2 per cent).

### **Business etiquette**

Appointments must be made in advance. Punctuality is important. For business meetings, men should wear a lightweight suit and tie, women the equivalent. Visiting cards are essential (though government officials do not use them). The cards should be presented with both hands.

When addressing Chinese

persons, family or surname is mentioned first. Mr Tan Hock Seng, for instance, would be addressed as Mr Tan. When addressings Malay persons, the first of their two family names is used. Singaporean Indians use many different conven-

There is often physical contact - but not more than touching or holding hands between men and similarly between women - than in the west. However, men and women should not touch each other. The heads of children should not be patted.

### **Business** hours

Banks: 10am-3pm (Mon-Fri) 11am-4pm (Sat), 9.30am-3pm (Sun. some only).

Offices: 9am-1pm and 2-5pm In short (Mon-Fri). Shops: 9.30am-6pm (seven days a week).

### Climate

The climate is equatorial, with uniformly high temperatures and no defined wet or dry season, rain being plentiful throughout the year, especially from November to January, which are generally the cooler months. The hottest month is May, with the average daily minimum 24°C and the maximum 82°C, the driest month is July, with an average rainfall of 70mm. Sometimes it rains for sev-

eral days continuously and there may be serious flooding. Between monsoons, from April to November, there are regular pre-dawn thunderstorms. known as Sumairas, which strike with frightening intensity three or four times a month. Singapore has an average of 180 lightning days a year

#### Behaviour

On-the-spot fines can be imposed for some offences. Smoking is not permitted in public buildings and restaurants, and restricted in other public places. A 10 per cent service charge is included in bills at restaurants and hotels Further gratuities are officially discouraged, but not illegal.

Telephone: Country code (65) Standard time: GMT plus 8

Weights and measures: metric system. Local units (Tahil, Kati, Picul) also used. Electric current: 230v, 50Hz, single phase; 230v, 50 Hz, 8;

Emergencies: phone for police 989, for ambulance or fire brigade 995 Driving: On the left. Interna-

tional driving permit required. eer New Statesmen's Yearbook SOURCE: New Statement's Yearnook 1995-96, BU Singepore Country Profile 1995-96, Europe – Fer Elest end Austral-acia 1995, Singepore Finits and Figures 1995, World Airways Guide, DHL Interna-tional Business Pocket Book.

# Telecoms Analyst

Published every two weeks and only available on subscription, ASIA-PACIFIC TELECOMS ANALYST is the FT newsletter which provides you with a continuing, comprehensive insight into the major commercial developments taking place in this expanding telecommunications market.

**ASIA-PACIFIC TELECOMS ANALYST supplies** network operators, service providers, equipment manufacturers, analysts and financiers with the essential news and expert analysis needed to exploit the enormous opportunities that are emerging in Asian telecommunications. And if you need to keep pace with the changing regulatory framework governing the region's telecommunication development, ASIA-PACIFIC TELECOMS ANALYST offers you an

Should you require a free copy of the newsletter and details of how to subscribe, please complete your details below or attach your business card to the

authorizative one-stop reference source.

Please send me one free copy of ASIA-PACIFIC TELECOMS ANALYST with no obligation. I attach my business card (or fill in your name and address

FINANCIAL TIMES Newsletters . . PLEASE RETURN THIS FORM TO: DEIRDRE MCDONNELL FT TELECOMS & MEDIA. MAPLE HOUSE, 149 TOTTENHAM COURT ROAD, LONDON W1P 9LL

TEL: +44 (0)171 896 2236 FAX: +44 (0)171 896 2256 REGISTERED OFFICE: PEARSON PROFESSIONAL MAPLE HOUSE, 148 TOTTENHAM COURT ROAD, LONDON WIP BILL REGISTERED IN ENGLAND AND WALES NUMBER 2970324

## The 'intelligent' revolution radical implications that the

Continued from previous page

advanced and liberalised satellite uplink services, however, tipped the scales. Ever since we established

ourselves here, the Singapore Economic Development Board has held our hand and extended every possible service," says Mr Graves. "We regularly get invited to participate in cost-free experiments with new broadcasting and satellite technologies. It is a very convenient place to be based."

However, the city state's success in capturing overseas media investment, which totalled S\$160m last year, has not prevented talk about the possible contradiction between the island's commercial ambitions and its tight control over local media content.

The Singaporean authorities say that the only requirement on broadcasters is that they transmit material which is compatible with codes of conduct in the receiving countries. This means avoiding pornography, which is more strictly defined than in the west, and incendiary material, which is open to quite broad interpretation in countries such as Indonesia. So far, no problems

have arisen. Ironically, though, owing to the island state's ban on household ownership of satellite dishes, Singaporeans are unable to view most of the channels which are transmitted from the city. Government officials point out, however, that this will have changed by 1998 once fibre optic lines for cable television have been installed around the city.

Known as the IT 2000 programme (Information Technology) most of Singapore's 750,000 homes will be able to receive upwards of 60 channels on broadband cable and are expected to get more than 600 channels - including Internet television - once digital compression switches have been installed at a later date.

Senior officials take a sanguine view of the potentially

studies that have traditionally only been sent inside the Fi's pink pages Designed for the seroes, FT

sable or easy to see. No software product require obst reader from Adobe judisded. no from the current page of FT country exceeps in Apple

AGAN PERS BOACK POOR WELL

skilling" appears to be the new buzz phrase in town. mone +44 (0) 171 873 4356 "Singapore is having to shift or face +44 (0) 171 873 4882

digital age will have on existing censorship norms. "Well, if you can't beat them, join them," says Mr Colin Binny, director (corporate services) of the Singapore Broadcasting Authority. "There will be no time difference between satellite downlinking and receipt of the channels on cable. We will however, require broadcasters to submit to local content

requirements." Mr Lee Hsien Yang, prestdent of Singapore Telecom, which controls the lion's share of the liberalised satellite uplink market, goes one step further. "The nature of the internet was not designed for censorship. We would block off the most obviously widelysignposted and undesirable sites but you cannot shut off every dark alley."

To meet the onset of the "intelligent revolution", the Singaporean government has embarked upon an extensive programme to tailor the island's educational system to the multimedia age. Pupils at the secondary school level are trained to use the Internet and encouraged to act responsibly while Online. The EDB has set up media broadcasting courses at the Nanyang Polytechnic to train graduates in skills relevant to international media organisations. An expanding alphabet soup of IT bodies offers research and training to media groups. "Multimedia

its educational profile quite that much dreaded libel writ.

thews, an investment analysi at Kay Hian James Capel in Singapore. "Up until now, the education system has been geared towards producing engi-neers and scientists. At the moment foreign media groups are filling the short-term gap in media skills with overseas workers. This will change quite rapidly."

At the same time, in its drive to attract greater investment, Singapore is experimenting with different types of media service including video-on-demand, High Definition Television and other rapidly evolving technologies. Singapore Telecom, which

recently opened its third earth satellite station in Singapore. at a cost of \$\$\$4m, believes that the island state will increasingly be competing on the quality and breadth of its technology rather than on cost. The partly-privatised state carrier will be permitted to compete with cable companies on its telephone lines by early next century. Media companies based in

Singapore say that it will take

several years before the city's closest rivals, such as Bangkok and Kuala Lumpur, develop the skills base and technological facilities to challenge Singapore's growing primacy. The island, they say, has achieved a "critical mass" of media investment which will difficult to unseat. This, combined with the city state's pro-business approach, apparently outweighs the risks of receiving



The 'regionalisation' drive: by Edward Luce

# Spreading out into Asia

being set up overseas to create space for the domestic economy

Mention Singapore's current account surplus to government officials nowadays and they look concerned. At a thumping 17.4 per cent of GNP in 1994 saccording to the Monetary Authority of Singapore) and expected to continue rising at the exponential rate of previous years, the Singaporean government is in danger of building up more cash than it knows how to

The problem might be considered a luxurious one by neighbouring governments such as Malaysia and Thailand both of which are attempting to cope with growing current account deficits. But for Singapore it has become almost a mantra to guard against complacency, especially on inflation.

At 1.7 per cent last year the island state saw inflation slow to the lowest rate in years. Failure, however, to recycle the current account surplus towards long-term productive investments might quickly reverse the good news on the inflation front. The best solution, according to strategic planners, is to encourage Singapore-based companies to invest more heavily in the fast-growing region.

We are planning to set up more industrial parks in the region as a way of creating economic space (for the Singapore economy] but also to contribute to the industrial development of regional economies." says Mr Lim Swee Say, managing director of the Economic Development Board in Singapore. "Singapore's high rate of GDP growth is not as sustainable as it used to be as we advance up the economic

Another problem compounding the need to accelerate Singupore's three-year-old "region-

Industrial parks are economy's growing labour shortage. At 7.1 per cent last year the growth of labour costs easily outstripped headline inflation. The likelihood that wage rates will continue to rise as the domestic economy approaches capacity adds extra urgency to the government's campaign for companies to push out into the region.

"Singapore is increasingly

adopting the characteristics of

the Swiss economy," says Mr

Bernhard Eschweiler, an econ-

omist at J.P. Morgan in Singapore. "This means that it is

more and more becoming a

GNP-based economy rather

than a GDP one and as such

will increasingly have to rely

upon factor income earned from abroad." In other words,

GDP growth will gradually

slow to rates normal for a ful-

One key advantage, however.

which Singapore has over Swit-

zerland is its growing integra-

tion with the surrounding

region through various free

Growth in non-eil

domestic exports

trade bodies such as Asean and

hub and a magnet for Asian

entrepôt trade, the island state

can also market itself as an

obvious choice for multination-

als to select as their Asia

Pacific headquarters. This is

helped by Singapore's excellent

infrastructure and telecommunications facilities. The island

state's growing pool of high-

"The challenge for the Singa-

pore government is to manage

the relocation of companies out

into the region," says Mr Ng

to be another plus point.

As a natural transhipment

ly-developed economy.

1992

1993

The Singapore government's two-fold:

government is full aware of

this challenge.

keeping low value added and

here, then the labour problem will persist. All the evidence

 To widen economic space, through the sponsorship of industrial parks and close bilateral trade agreements with neighbouring governments, which will encourage Singaporean companies to shift labour-intensive production to the Asia Pacific region.

This is also being pushed through the government's strong currency policy which forces companies to shift to higher-value added production at home and focus on improving labour productivity at the same time. The Singaporean dollar has appreciated by around 20 per cent against the US dollar since 1993.

• To encourage multinational corporations to choose the island state as their operational headquarters for the Asia Pacific economy. The gradual revamping of Singapore's tertiary education sector equip graduates with the skills required by multination-als for higher-value added production is a key aspect.

All the signs are that both strategies are beginning to

During the first quarter of 1996 Singapore will add two more industrial parks - the Bangalore Information Technology Park in India and an industrial park near Ho Chi Minh City in Vietnam - to its growing list of governmentsponsored investment outlets in the region. Among these, the Suzhou

industrial township in the Yangtsee valley near Shanghai, has already attracted US\$1.4bn of foreign investments. The older Batam and Bintan industrial parks in Indonesia, just 40km across the straits from Singapore, are also



se officers march to the central Padang (common) during the cale companies are moving their Asia Pacific headquarters to the island state

steadily building up investment pledges from both Singaporean companies and multinational firms based in Singapore.

The island state's policy of "constructive engagement" with Burma is also beginning to bear fruit, with talk of a similar investment outlet being set up there. Singapore's Trade Development Board, which works hand in hand with the EDB, recently opened a bureau in Rangoon, the capital of Burma.

Figures released last month by the Singaporean government show that the island state has become the fifth largest foreign investor in China, with over US\$2bn pledged last year, it was also the second largest investor in Burma at US\$548m between January and June last year and ranked sixth for india, Vietnam and Indonesia respectively.

Singaporean officials say that the government's standing offer of providing "co-investment" or joint venture capital to companies seeking to set up plants in the region has played a large part in the "regionalisation drive". Foreign companies based in Singapore are also eli-"co-investment"

Second, the growing roll-call of multinationals choosing Singapore as their headquarters for Asia appears to have vindicated the decision to promote the island state as a

Among the 23 multinationals which chose Singapore last year were Siemens, the German electronics company.

Hewlett-Packard, the US computer firm, Nokia Mobile Phones, Europe's largest mobile phone manufacturer and Rhone-Poulenc, the European chemicals group,

In most cases the companies cited incentives to invest in research and development and the island state's pro-business stance as critical factors in their decision to locate in Singapore. The chance to invest in Singapore-managed industrial zones – or "little Singapores" - throughout the region was also high on the

The reason we opened an office here was because most of our clients were moving here as well," says Mr Simon Hall at Slaughter and May, the British legal firm, which nevertheless retains its regional head office in Hong Kong. "Most of our clients are investment banks which have moved to Singapore to get a slice of the growing project finance sector for infrastructure schemes around

the region." Singapore's reputation for sticking to its long-term plans

and for promoting close co-operation between the private and public sector suggests that its "regionalisation" driv is more than just a passing faul. Whether growing competition from regional centres such as Shanghai and Kuala Lumpur will threaten the island state's campaign to upstage Hong Kong as Asia's busiest hub is a moot point. Asia's rapidly growing trade figures and the region's increasing integration suggest that there will probably be enough room for all of



# Why over 4,000 multinational companies choose us as their gateway to success.

telecommunications technologies, Singapore we're known for. Telecom offers an excellent telecommunications infrastructure and an unrivalled range of facilities for expanding MNCs.

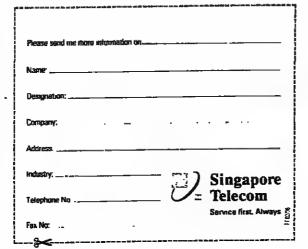
Our hubbing facilities enable MNCs to make Singapore their gateway to success. communicate privately on specially configured international digital leased lines. These range from 'no frills' lines to end-to-end managed lines with service guarantees, such as TeleConnect services which are targeted at the financial community.

At our total facilities management centre, MNCs can house their computer systems and data communications equipment and even have them maintained by our highly-trained staff.

Our leased circuit, IDD, telex and ISDN rates are among the lowest to be found anywhere. And as a reassuring guarantee, MNCs know they'll

As one of the biggest users of leading-edge always get the vital backup and quality service

Through the advanced telecommunications we provide, we've not only helped Singapore become their gateway to the Asia Pacific, we've also helped



Singapore Telecom 31 Exeter Road, Comcentre, Singapore Z39732, Tel: (85) 738 8818, Fax: (65) 733 3008. Singapore Telecom Europe Ltd. Halton House, 7th Floor. 20, 23 Holborn, London ECTN ZJD, United Kingdom. Tel. 44-171-831 6688, Far. 44-171-831 2268. Singapore Telecom USA. 301 Riverside Averus, Suite 500. Westport CT 06880, USA. Tel. 1-203-454 6800. Fax. 1-203-454 1823. entative Office 100 Oleouach Building, 21st Floor 8 | Oleouach 1-Chome Chrydda-Ku, Tokyo 100 Japan, Tel 81-3-3243 9270, Fax 81-3-3243 9271



# Bintan lures the tourists

One way of persuading Singapore's 7m annual tourists to stay longer and spend more while in the city state is to encourage the visitors to do more than just the usual shopping trawl. The development of an upmarket holiday resort 45km across the straits at Bintan island - part of the Indonesian Riau group of islands - is being touted as

just the solution. The 23,000-hectare project, which is 60 per cent owned by the Indonesian Salim group, Lim Sice Liong's diversified conglomerate, and 40 per cent owned by a Singaporean consortium, led by the Singapore Technologies Technologies Singapore Industrial Corporation, is already receiving tourists. However, the S\$8.5bn project will take 20 years fully to

The resort's management, which has parcelled the vast site (one-third the size of Singapore) into 65 lots, says it expects up to 300,000 visitors by 1998. The lure of Bintan, it is hoped, will persuade the tourist to remain longer than the average 3.5 days registered

"Its proximity to Singapore

gives the republic a new destination even though it is in Indonesia." says Ms Marv Quah of Bintan Resort Management. "The twinning concept is perfect because we can offer the contrast of a city and a resort. We are working on putting packages together such as four days in Singapore and three on Bintan."

With the opening last year of an international ferry terminal on Bintan and the purchase of a second S\$16m catamaran seating 316 passengers - the resort is now only 45 minutes' journey from Singapore. Once there, so the theory goes, the tourist will be able to revel in the contrast between hectic, urban Singapore and Bintan's tranquil South China Sea

In typical Singaporean fashion, however, the resort is being master-planned down to the last detail, prompting scepticism that it will turn out to be the gentle hideaway that the resort's marketers have guaranteed. Among others, Club Med, the Shangri-La group and other leaders of the cosmopolitan tourist industry have already booked lots and begun to break ground.

INDEX OF FT SURVEYS September 1992 - August 1995

This index has been compiled for researchers and libraries and those who require a sound briefing on national and international subjects.

A useful cross-index of all FT surveys published. in the above period, listed in alphabetical order and subject.

To receive your copy, send a cheque for £3.00 made payable to Financial Times to:

g department, Financial Times ber One Scuthwark Bridge, London SE1 9HL Tel: +44 (0) 171 873 3213

Before long, the newly-arrived tourist will be confronted with the competing prospects of resorts offering golf courses designed by Greg Norman and Gary Player, conducted tours around "agro-tourism" parks where visitors can pick their own fruit and vegetables and a leisure and entertainment centre boasting arcades, cinemas

and pubs. Other facilities in the pipeline include a wildlife sanctuary, modelled on the African safari park concept, a health spa along traditional Indonesian lines and an amusement park offering merry-go-rounds, ferris wheels, bumper cars and high-tech roller-coaster rides.

put his feet up for a minute.

indeed, the successful development of what will be one of the most integrated tourist resorts in Asia is beyond doubt. The number of leading international corporations involved seems enough to dispel any fear of commercial misudgment on Singapore's part. One niggling question does, however, arise: with such an impressive array of modern facilities on offer will Bintan be quite the peaceful weekend escape it has been cracked up

**Edward Luce** 

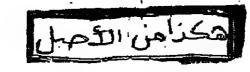
Fortho	oming
A	
AS	<b>a</b> -
Pac	ific
1	to the state of
Surv	eys
Hong Kong	• Philippines
Asian Telecomms	Power in Asia
<ul> <li>Asian Financial Markets</li> </ul>	• Tuliwan
New Zepland	

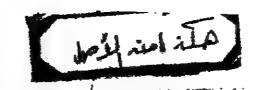
• Chlon For further information

Sue Mathleson or Jenny Middleton in London Tel. +44 (0)171 873 3050 Tel. +44 (0)171 873 3794 Fax: +44 (0)171 873 3241

Brighte McAlinden or Liz Vaughan in Hong Kong Tel. (952) 2 973 5006 Tel. (852) 2 973 5004 Fax: (852) 2537 1211

FT Surveys





### CURRENCIES AND MONEY

MARKETS REPORT

# Shrinking trade deficit lends support to dollar

By Philip Gawith

A. A. A.

The dollar finished slightly firmer on the foreign exchanges yesterday, helped by confirmation that the US trade deficit was continuing to shrink, and speculation about further economic weakness in

Germany. The dollar was helped by a report in the daily Frankfurter Rundschau, to be published today, that German unemployment rose far more than expected in January, to a record 4.158 million. This would encourage speculation about a further early cut in German interest rates.

The US trade gap with Japan, meanwhile, fell to a \$4.13bn deficit in November, the lowest since May 1993.

The dollar closed in London at DM1.4773 from DM1.4718, and at Y106.025, from Y105.57. Sterling held onto the gains made against the D-Mark, finishing at DM2.2719, from DM2.2671. Against the dollar it

closed at \$1.5379, from \$1.5404. more than ten basis points, The trade weighted index finwith short sterling contracts ished at 84.4 from 84.3.

UK interest rates were left monetary meeting between the Chancellor of the Exchequer and the Governor of the Bank of England.

There was little currency movement in Europe, with lit-tle evidence of the jitters that actual figure of R15.45an. prevailed at the end of last month. The D-Mark finished at FFr3.434 against the D-Mark from FFr3.436. The Finnish markka hit a seven month high against the D-Mark at FM3.0920/50.

There was a much firmer tone to the futures markets following the sharp reversals suffered on Monday. Most of the euromark contracts rose by

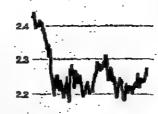
1.5370 1.5358 1.5338 1.5415 1.5403 1.5382 1.5262 also making good gains. A small fall in the South

unchanged after the monthly African foreign exchange reserves for January set back hopes of an early relaxation in exchange controls. A consensus poll of Reuters economists had predicted a figure of

> ■ The dollar's rally during Asian trading from a three week low of Y104.65 was prompted by reports that the Bank of Japan had been check-ing rates at that area - normally a signal that it is considering intervening.

The correction earlier this week which drove the dollar to these lows was explained by Mr Avinash Persaud, currency strategist at JP Morgan, in terms of the declining risk appetite of investors. He said the dollar's rally from Y101 and DM1.44 in early December bad been driven by investors

Against the D-Mark (DM per 5)



confidence to invest in higher yielding European markets. The setback to confidence came in the form of German output data last week which

cast doubt on the more bullish forecasts for German rates. Mr Persaud said this might well be the "pause which refreshes", because the market was not as long dollars as it had been. But he said there

are going to seek increased rally further. "G3 support is risk appetite any time soon." The market remains haunted by the dollar's performance in recent years when it flattered, only later to deceive, in the

Mr Dave Abramson, currency strategist at the Bank rates were set to fall further, Credit Analyst in Montreal, said: "Until the foreign reflation plays itself out, there is not going to be much downside to the dollar." He said the German and Japanese economies were showing the delayed effects of excessively tight monetary policy, and hence were being forced to reflate, for the time being.

first few weeks.

Mr Abramson said Y100 and DM1.40 would probably be the floor for the dollar, because before it sunk that low, speculators would come in and buy it, confident that the central banks would back them.

Mr Tim Stewart, currency strategist at Morgan Stanley New York, said he remained

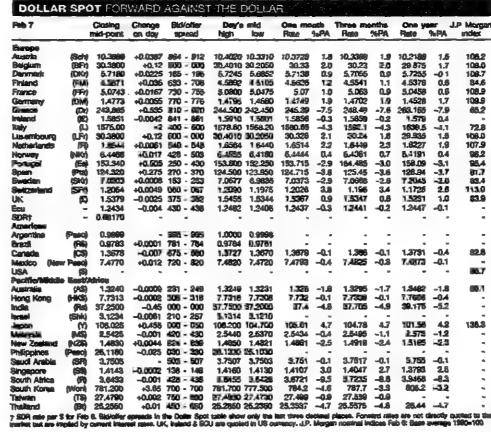
was "scant evidence that we confident the dollar would still strongly in favour of a stronger dollar, and part of that is to avoid European recession. It is not in Germany or Europe's interest to see the

dollar go down." Mr Stewart said that German and the fall in US rates would not keep pace. While the Japanese economy is clearly gathering steam, he said this was not incompatible with the discount rate staying at current levels.

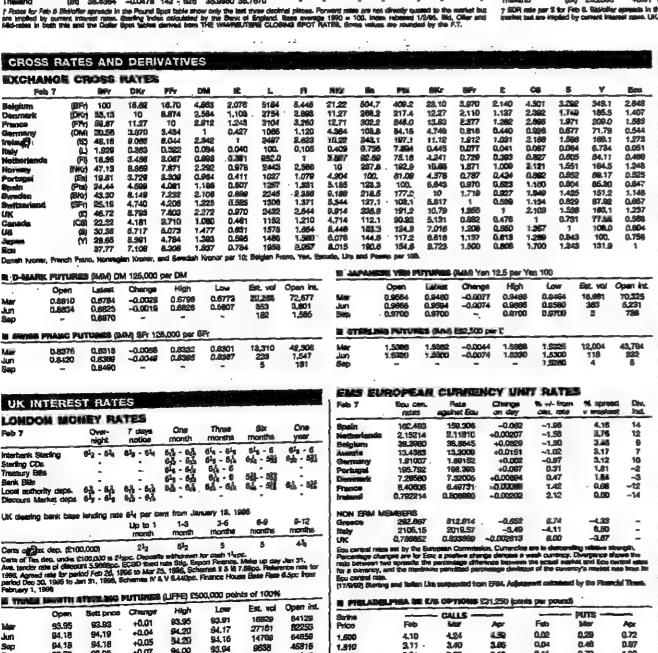
He said stronger growth could well help the dollar, because it would support company profits and the Nikkel, which would make Japanese institutions more likely to

West 2 (1974)	, may design	
E OTH	ER CURNETICS	8
Feb 7	2	\$
Creat its	41.6963 - 41.6406	27,0616 - 27,0716
Hungary	217.336 - 217.532	141,379 - 141,420
il cally	4614.60 - 4612.50	3000.00 - 3000.00
ilmuzii.		0.2590 - 0.2592
Potent	39053 - 39107	
<b>Engsin</b>	7271.07 - 7272.37	4727 00 - 4730,00
UAE.	56462 - 5,6463	3,5723 - 3,5727

leb ?		Clasing	Change	Bid/offer	Day's	Mid	One mo	onth	Three me	enths	Que ye	186	Bank of
		mid-point	on day	abuese	high	(OW	Pate	%PA	Resto	%PA	Rate	NPA	Big. Inde
TRODE													
usiria	(Sch)		+0.0336	691 - 837	15.9679	15.9312	15.5484	2.3	15.8639	2.8			106.1
Jelgium	(BFr)		+0.1089	785 - 618	46.7613	46.5310	46,6099	2.8	46.3849	2.9	46,4849	2.5	108.5
)enmerk	(DKV)		+0,0303	591 - 977	8,7986	8,7691	8.7807	1.7	8.7552	1.7	A 6550	7.5	100.4
inland	(FM)	7,0235	+0.0441		7.0490	6.9570	7.0391	0.8	7.0111	0.7			84.8
ASUCB.	( <del>1 T 1</del> )		+0.013	597 · 071	7.8077	7,7823	7.7907	2.0	7.7895	1.7	7,886	1.5	109.5
<b>FILLERINA</b>	(DM)		+0.0048	709 - 725	2-2748	2.2543	2.2684	2.9	2.2561	2.8	2.2128	2.6	110.5
<b>P</b> iece	(Dr)		+0.215	858 - 198		374.343							85.4
eland.	(12)	0.9702	+0.001	694 - 710	0.9724	0.9691	0.9882	1.2	0.9676	1.1	0.9621	6.0	98.2
ziy	(L)		-0.88	903 - 420	2426.32	2418.74	209.01	-84	2443.01	-3.5	2495.11	-3.0	73.4
nicemporing	(LFr)	46.7199	+0.1039	785 - 513	48,7813	46.5310	45,6009	5.3	45.3849	2.9	45,4849	2.6	108.3
letherlands	(F1)	2.5442	+0 0052	430 - 454			2.5381	2.9	2.5246	2.1	2,4734	2.8	108.4
lorway .	(NKr)	9.9138	+0.0101	958 - 219			9.9072	0.0	8.6031	0.8	0.8338	0.8	99.2
ortugal	(Ea)	235.814	+0.395	22 - 006	298,237	235,438	236,239	-22	237,144	-23			95.3
Spelin.	(Pta)	191.188	+0.113	055 - 306		190,820	191,631	-2.8	192,451	-2.6	195,676	-23	12.1
Weden	SKI	10,7902	-0.0163	NED - 083		10.7381	10.798	-0.2	10.8013	-0.2	10.8119	-0.1	84.1
witzerland	SFn	1.8552	+0.0044	542 - 581	1.8576		1.848	4.7	1,8354	4.3	1.7857	3.7	113.5
K	(00)	-						7.0					80.4
Ci.	A-1	1.2368	»D.0019	361 - 375	1,2383	1.2334	1.2350	1.4	1,2322	1.5	1.2193	14	-
DRt	_				1,2000	1-1	14,000	154	12,000	160	1-2 10-9		
mericas								~					
rgentine	(Peno)	1.5376	-0.0025	372 - 380	1.5480	1.5342							
razi	(RS)	1.5044	-0.0023		1.9118	1.5014	_	_	_	_	_	_	
anada.	(CS)	2,1034		025 - 043	2 1215	2.1007	2.101B	. 11	2.0987	0.0	2.0873	0.8	84.0
	Peaci	11.4995		852 - 068	11,4985		E 1010		2,0001	0.8	2,0013	140	94.0
ISA	(3)	1.5579	-0.0025	975 - W68	1,5455	1.5344	1.8967	D.B	1,5347	9.8	1.5231	1.0	90.0
ucific/Middle		Africa	-0.0023	074 - 006	1,3400	1.0044	1-0304	929	1,03+1	4,5	1,344	1,33	90.0
ustralia	(AS)		<b>-0.0048</b>	343 - 379	2,0635	P.0305	2.038	-1.1	2.042	-1.2	2,0600	-1.2	98.4
iona Kona	(Hice)	11.8898	-0.0196	B51 ~ 931	11.9483		U.M617	0.8	11,8663	0.7	11,8189	0.6	-
ndia	(Pa)		-0.7883		58,1580		1120011		11,0006	HL.	11,0100	-	
riid	(Shki	4.8033	-0.0172		4,8281	4.7967		-	•	-	•		
	(A)	183.051	+0.435			161,590	189,301	5.5	180,786	8.8	154.661	5.2	137.2
		3,9100	-0.0079		3.9277	3.9022	100.301	gr.9	190,700	0.0	1047001	82	151.4
falayola isw Zankand	(543)		+0.003	083 - 118 791 - 825	2.2908		2.2844		9 2010	-1.9	2.3214	~1.8	1000
	(NZS)						22944	-1.89			2.3214	~1.0	100.0
hilippines	(Peso)		-0.1035	334 - 978	40.1978		-	-		-	ь.	-	
laudi Arabis	(SP)		-0.0094	981 - 893	5,7962	5.7551	-	-	-		-	-	
ingapore	(38)	2.1750	-0.0038	737 - 769	2,1838	2.1716		-	-		-		
iouth Africa	(P)		-0.0106	DDS - 049	6,8303	5.5636	-	-	-	-	•	P	
outh Korea	(Won)		+3.67	033 - 241	1202.41			-	-	-	-	-	
alwan	(Lab	42.2508	-0.0656	428 - 744	42,4626			-		-	-	-	-
Traviand Postas for Fab 8	(24)	38.8384	-0.0478	142 - 628	38,9980	38,7670	-	-	-	-		-	



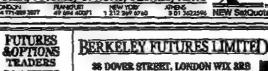
WORLD	NTERE	ST R	ATES					
MONEY R	ATES							
February 7	Over night	One month	Three	Sec	One year	Lomb. inter.	rete	Repo rate
Seicken	34	314	314	31/4	311	7.00	3.00	
week ago	333	314	311	24	34	7.00	3.00	0.00
Frence Week 830	48	44	4 <u>8</u> 41	48	42	4.05 4.20	_	5.60 5.60
Germany	37	3%	314	34	34	5,00	3.00	1.50
week ago	34 48	3% 4%	5% 5	3 <u>2</u> 5 <u>1</u>	54 54	5.00	3.00	3.40 6.25
week ago	42	44	54	54	54	-	-	6.25
Week ago	9%	3 <u>7</u>	256 250	87 85	87	-	9.00	9.72 9.88
Netherlands	31/6	34	37	31	34	-	3.00	3.30 3.30
week ago Switzerland	34	34	3 1%	3 1¥	34	5.00	1.50	330
week ago	24	146	1%	12	14	5.00	1.50	-
US Wask ago	5 <u>å</u>	54 54	5%	5 <u>8</u> 54	54, 54	Ξ	5.25	-
Japan	1/2	7	ų.	3	%.	-	0.50	_
week ago	E .	<u> </u>		15		<del></del> -	0.50	<del></del>
IN LUBOR FO Interbenk Phin		5%	58	54	54	_	_	-
week ago	-	5%	5%	54	54	-	-	-
US Dollar CDs week ago	_	5.10 5.10	5.03	4.95 5.12	4.82 4.99	_	_	Ξ
ECU Linked De	-	42	42	415	417	-	-	~
week ago SDR Linked De		4 <u>0</u> 3 <u>0</u>	42 3 <u>1</u>	34	M	-	_	-
Week ago	from many	31	81	31	34	-	-	-
S USOR intertions at 11am each we Westminson.	riding chay.	The bushies	ers: Bark	ers Trust	Genk, of	Tolyo, B	HOUT NA	end Ninjonsi
Mid rates are show						NOR UM	ed Dep	ceits (De).
EURO CU								
Feb 7	Short	7 da notic		One iomh	Three months	ii: mem		One
Beiglan Franc	3,2 - 3,7			- 3,	SH - 35			31 - 34
Danish Krone	44 - 34	47 -	طه که	- 42	413 - 44	415 -	3,2	412 - 414
D-Mark Dutch Guilder	ქჩე - პჩე 3/ე - 3/ე		3/2 3/4 3/4 3/4	3,4	2년 - 2년 2년 - 2년	36 -		34 - 34 Tu - 34
Franch Franc Portuguese Esc.	44 - 44 8 - 73		48 48	- 8 kg	44 - 43	413 -	414	45 - 48
Spanish Pasata	94 - 94	- 9≟, -	8% BH	- 712	88 - 89	844 -	all	8년 - 7년 8년 - 8년
Starting Swiss Franc	6 - 6 4 16 - 16	518		- 614 - 15	班-班	9.7	March .	6 - 8法 2法 - 1論
Circle Dellar	5% 5	6.	6 NA		514 - 514 514 - 514	58 -		54 - 54
LIS Dogge Italian Lim	54 - 51 91 - 91	D/3 -	왜 왜	- 5 <sub>24</sub>	5년 - 5년 9월 - 9년			5 - 413 94 - 94
Yan	12 - 78	33 -	ii ji	- 11	- bg	13 -	#	21 - 21
Asian SSing Short term rase a	√s - As on call for ti	1 <sup>1</sup> եր - ա. US Deal		- 20	20: - 20: two dees'		20	3H - 3H
THERE MAN	TTH HERO	E FUTUI	AM) ESP	IIF) Paris	Interben	k offered	rate (	Prom)
			Charge	High	Low		t. vai	Open int.
		5.5 <b>9</b> 5.76	+0.13	95.59 95.78	95.5 95.7		,715 689	49 <u>,392</u> 54,212
		5.74	+0.00	95.75			562	45,053
E TREET MO	HTH MAN	MARK		LIFFE	- DM1m	politis of	100%	
		t price	Change	High	LOV	_	L voi	Open int,
		1,81 1,37	+0.02	96.82 96.89	98.71 8.88		1997 2596	174357
Sep R	S.89 SI	3.73	+0.07	96.78	96.6	35	622	168384
Dec in		5.48 XLIRA FI	+0.09 JTURNS	96.50 (LIFFE)*	96.44 L1000m r		100% 100%	142784
			Change	High	Lôv		L voi	Open int.
		0.57	+0.01	90.62	10.5		256	48708
Jun 91	.25 P	(.21 (.45	+0.02	91.25	91.11 91.4	3	194	31031 17901
		1.48	+0.01	91,48 91,52	91.4		41	10780
M THERE MO	TH BURK	Distant	HANC	NT IN	(LIFFE	9Fr1m	points	
			Change	High	Lov		t vol	Open int.
		3.17 3.00	+0.05 +0.08	95.17 96.02	911/2: 97,93		826 173	21225
Sep 97	7.71	7.77	+0.10	97.77	97.8	9 4	071	12656
	7.42 g	A?	+0.05 e. // IEEE	97.50 Equips	97.9 No etako		387	6356
	NTH ECU	_	_	High			L voi	Open int.
		t price 5.40	+0.02 Shinge	10.51	95,4		037	8281
Jun 185	5.64 0	5,60	+0.04	95.64	85,6	0 6	507	4608
		5.62	+0.05	95.68 95.43	96.5 95,4		312 165	3155 3053
S BUROLINA	OPTIONS		_	ints of	100%			
Strice -	Mod	- CALLE		ep	Mar	Piji Ju		Sep
9050	0.22	0.86		24	0.15	0.1		0.29
9075	0.12	0.67	T,	04	0.30	0.2	1	0.34
Est. vol. total. Cal	0.05 - 200 Dus	0.51 200. Presi		96 0010.int	0.48 Cuts 206	0.3 N. Pun. 1		0.41
,								



Dec 93.97 93.98 +0.07 94.00 93.94 9538 4897 52895 1.590 2.21 2.63 3.16 0.11 0.70 1.30 Mor 93.66 93.68 +0.08 98.69 93.64 4597 52895 1.520 2.21 2.63 3.16 0.11 0.70 1.30 Mor 93.66 93.68 +0.08 98.69 93.64 4597 52895 1.520 2.21 2.63 3.16 0.11 0.70 1.30 1.30 1.38 2.01 1.55 0.26 1.08 1.59 Mor 1.50 0.72 1.45 2.07 1.53 1.66 2.06 1.590 0.72 1.45 2.07 1.53 1.66 2.06 1.590 0.75 1.590	aca)	34.10	94.18	+0.05	34.20	94,16	14799	64038	1,000	4.10		47		0.04	0.46	0.97
Dec   SSUR   SSUR   40.08   SSUR					94.00	93.94	9638									
### Also tracked on APT. All Clean insurement Rigus are for presence day.  ### Sethology of APT. All Clean insurement Rigus are for presence day.  ### All Sethology of APT. All Clean insurement Rigus are for presence day.  ### All Sethology of APT. All Clean insurement Rigus are for presence day.  ### All Sethology of APT. All Clean insurement Rigus are for presence day.  ### All Sethology of APT. All Clean insurement Rigus are for presence day.  ### All Sethology of APT. All Clean insurement Rigus are for presence day.  ### All Sethology of APT. All Clean insurement Rigus are for presence day.  ### All Sethology of APT. All Clean insurement Rigus are for presence day.  ### All Sethology of APT. All Clean insurement Rigus are for presence day.  ### All Sethology of APT. All Clean insurement Rigus are for presence day.  ### All Sethology of APT. All Clean insurement Rigus are for presence day.  #### All Sethology of APT. All Clean insurement Rigus are for presence day.  ##### All Sethology of APT. All Clean insurement Rigus are for presence day.  ##### All Sethology of APT. All Clean insurement Rigus are for presence day.  ###################################						93.64	4597	32895								
## SHORT STERRIBER OF OPTIONS (LIFFE) 2500,000 points of 100%  ### CALLS	Mar	<b>53.66</b>	93.68	10.06		Man			1,530							
## SHORT STERRIBER OF OPTIONS (LIFFE) 2500,000 points of 100%  ### CALLS	Also trade	of on APT. All	Open Insured	t plar aus no	L bratters	ury.										
Serior   S							nor.		1,550							
Serilies   Mar	E SHOP	CT STEP4.DE	G OPTION	S (LIFFE) 🖁	500,000	SOUTH OF THE	UM		Previous 0	my's vol., Calls 4	,983, Puis 3	,184 . Prov.	qey's open ir	e., Calls 177,5	AS Puls 212	126
## THERES ## SUPPLIES ## SUPPL							- LOIS .		1							
### ST75					Sec	Mar	Jun					10 1100	~ les	- 1 100h		
9425 0.01 0.15 0.27 0.28 0.21 0.34 0.12 0.11 0.23 9425 0.01 0.15 0.27 0.28 0.21 0.34 0.21 0.34 0.25 0.27 0.28 0.21 0.34 0.21 0.34 0.25 0.27 0.28 0.21 0.34 0.25 0.27 0.28 0.27 0.28 0.21 0.34 0.25 0.27 0.28 0.28 0.27 0.28 0.28 0.28 0.28 0.28 0.28 0.28 0.28	Printer.					0.08	0.05		I THE	E MONTH E	HODOL	APT (INIM)	STM poque	CR TUNE		
9405 0.05 0.27 0.33 0.21 0.34 9425 0.01 0.15 0.27 0.33 0.21 0.34 9425 0.01 0.15 0.27 0.33 0.21 0.34 9425 0.01 0.15 0.27 0.33 0.21 0.34 9426 0.01 0.15 0.27 0.33 0.21 0.34 9426 0.01 0.15 0.27 0.35 0.35 0.35 0.35 0.35 0.35 0.35 0.35	9375			-			0.11		1	Open	Legent	Charge	100	Low	Est, yol	Open in
### Page 175 Previous day's open et., Calls 145929 Page 145915  #### Page 175 Previous day's open et., Calls 145929 Page 145915  ##################################					.07	0.93	0.21		1		D4 R1	*	94.89	94.81	38 449	
## Use TRISASSINT URL PRITINGS (MAIL SITE DATE)  ## Adem & Company	9425	0.01	u.	19 4	A	Com 1401	29 Puts 1456	15				<b>-0.0</b> 2				
## Use TRISASSINT URL PRITINGS (MAIL SITE DATE)  ## Adem & Company	Est, vol. to	scal, Calls 6291	Puss 5175.	Méniore ces	a oben											
## Part of Cyprus ## Act of Scotland ## Act of Scot									Seb	ميريه	9000					
## Adam & Company 625 Alicel Trust Bank 625 Alicel Trust Bank 625 Bank of Baroka 625 Bank of Baroka 625 Bank of Cyprus 625 Bank of Cyprus 625 Bank of Cyprus 625 Bank of Sociand 625 Bank of Mid Bass 625 Bink of Mid Bass 625 Bink of Sociand 625 Bink of Mid Bass 625 Bink of Sociand 625 Bink of Mid Bass 625 Bink of Mid Bass 625 Bink of Sociand 625 Bink of Mid Bass 625 Bink of Mid Bass 625 Bink of Mid Bass 625 Bink of Sociand 625 Bink of Mid Bass 625 Bink of Mid Bass 625 Bink of Sociand		· 							E US TI	MEASURY DE	1 PATEUR	ME (MA)	\$1m per 10	X0%		
## Adam & Company									1	86.91	05 93	-មាមរ	05 32	95 24	40	10 720
Adam & Company 6.25 Alied Trust Bank 6.25 Exerter Bank Limited 7.20 Alied Bank 6.25 Exerter Bank Limited 7.20 Alied Bank 6.25 Exerter Bank Limited 7.20 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerter Bank 6.25 Exerter Bank Limited 6.25 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerter Bank 6.25 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerter Bank 6.25 Exerter Bank Limited 6.25 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerte					ALL P	ATTE										
Adam & Company 6.25 Alied Trust Bank 6.25 Exerter Bank Limited 7.20 Alied Bank 6.25 Exerter Bank Limited 7.20 Alied Bank 6.25 Exerter Bank Limited 7.20 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerter Bank 6.25 Exerter Bank Limited 6.25 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerter Bank 6.25 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerter Bank 6.25 Exerter Bank Limited 6.25 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerter Bank Limited 6.25 Exerter Bank 6.25 Exerte			BAS	E L'EMP	ILP I	MIES				45000						
Adied Trust Bank 6.25 Alied Trust Bank 6.25 Bank of Bancia 6.25 Bank of Bancia 6.25 Bank of Bancia 6.25 Bank of Cyrus 6.25 Bank of Cyrus 6.25 Bank of Rota 6.25 Bank of Sociand 6.25 Bank o								%	Sep						_	,,,,
Adam & Company 825 Alicel Trust Bank 825 Alicel Trust 82			%						All Opes I	officer after two	ICI DIENNA	444				
Alle of Trust Bank 6.25 All Bank 6.25 All Bank 6.25 Barricol Banda	Adam 8	Company	. 625	Juncan Lawn	10	7.05	yal Bit of Scot		1					-		
AB Bank 8.25 Philade Bank of Banoda 8.25 Girobank 8.25	Allied T	ned Herik	_020 6	xeter Bank		7.00	Ages of Luthers	Sec. 6.25	1							
Coloraria   Colo	AR Bar	ik	_8.25 F	nancel & G	OFFICE OF THE PERSON OF THE PE	E 25 YO		627	a marks	HEATIK OPTI	DHS ALF?	E) DMIIm	points of 16	X096		
Service   Serv	<b>Gi-tenny</b> A	inchacher	B25 B+	CODERL FIGHT	ug a co	4.95 IL	David Charle of K	mal 8.25			CA	16			MID'S -	
Barric of Cyprus	Beenfa cal	Baroda	_825 6	PODGOK	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	2 25 the	ы Тяяк <b>Р</b> апік	PC 0.23		Sale			Jun 19	eb Me		.hm
Bank of Cyprus	Banco I	Bâbao Vacaya	825 🗨	THANKS MA	C Malch	COE SAL	reference Triplet									-
Barrix of Inetand	Rank of	Control	.625 h	Labyer Barrier	مار کیکست ر		فأتأك المسمدن	S.23								
Bank of Sociand	Bank of	traisand	جه جها.	Igmores sa	an low Pile		richine Benik .	, 6.25)		-						
Berclays Bank	Benk ol	freta		or Commond		040			9725							
Sericary Bank   Sericary Ban	Bank of	Scotland			Fr	- L	tembers of Lo	ndon	Est vol	(m), Camb 13201	ALINE WITH	, Provide d Rang / 1006	ESCENTER I	100 کے معملے کا انتخاب	e rub erb	24
### Stroken Shipley & Co Ltd .6.25   Julian Hodge Bahk	Berclay	s Bank				6.25 b	westment Bar	rierig .	E EUR	28133 FRA	U OPIN	viito (ritu.	4 SF REE	COLUMN CO	176	
Caberik NA	Brit Bik (	of Mild East		هماممل سماده	HARR	,	asociation		Strike		CA	<u> 15</u>			PUIS -	
Clydesdale Bank	<b>GEOMU S</b>	Shipley & Co Li	-4		AN A 2015	۾ سون	administratio	n		Mar	Ju	an .	Sep	LL-S	Jug	540
Th/Clo-operative Bank 6.25 Meghraj Bank Ltd	Ctabeni	MA								0.23	กร	<b>13</b>	1.92	0.00	D 22	0.45
Codes & Co	Clydest	sale Bank	_6-20 L													
Codits 8.Co	Theolo	obecane seu														
Credit Lydnings 0.25 Natily Septimination	Coulin (	k.Co	_0.43 N											la RESS Page		
	Credit L	yonnes	. 0.430 N	incl/Mostmins	tor	6.25			I ser eve a	<del></del>			,			

The FT GUIDE TO WORLD CURRENCIES, poblished in Monday's er and covering over 200 correncies, is now available by distling the followable from the keyped or bundest of your fax reachine, 0891 437 801. Calls are charged at 39p/min cheap rate and 49p/min at all other times. For parylon

FAST 64 KBIT SATELLITE TECHNOLOGY FOR COMPLETE REAL-TIME DATA OF THE US AND EUROPEAN EXCHANGES OREX, FUTURES, OPTIONS, EQUITIES, NEWS ICHDON | FLANGRIET | NEW YORK | APPENDING TO | 1 212 369 6740 | 3 01 3622596 | NEW SECQUOTE



**FUTURES AND OPTIONS TRADING** Clearing and Execution Service 24 hrs



Competitive Spreads, Minimum Transaction See \$100,000 To find our more about our Intentity, professional service, call Despis Barron on 0171 896 /0011 or write to tel:

Tel: 0171 629 1183 PAX: 0171 496 0022





WANT TO KNOW A SECRET? The I.D.S. Gann Seminar will show you how the markets REALLY work. The amazing trading techniques of the legendary W.D. Gant car ok your FREE place. Phone 8171 588 5888

-44 171-865 0800

TREND ANALYSIS LTD Sally Analysis & Trading Escommondations by Fax FOREX - METALS - FINANCIAL FUTURES- ENERGY For FREE TRIAL Phone 01424 775145





SOVEREIGN (FOREX) LIMITED 24 HOUR MARGIN TRADING FACILITY COMPETITIVE PRICES DAILY FAX SERVICE Tel: 0171 - 931 9188 Fax: 0171 - 931 7114 nam Paince Rd, Landon 5W1W ORK

ANDPAN	COLD	MINING	
MALADEALA	GOLD	TATE ATT A CO.	

**COMPANY LIMITED** An Anglovski Group Company

Incorporated in the Republic of South Africa Ree. No. 55/03414/06 INTERDM REPORT FOR THE HALF-YEAR ENDED M DECEMBER 1996

FINANCIAL RESULTS The results of the Company for the above period are as follows:

INCOME STATEMENT

	1995 12000	1994 RD00	1995 R000
Turacvor	7 375	14 175	25 734
lacome from ignistratit -			
Dividends	1 200	14 110	25 300
Interest received	\$6	65	145
Share dealing profit	-		289
Sundry revenue			
	7 375	14 175	25 756
Expenditure	678	495	1 429
Profit	6 795	13 680	24 267
Earnings per share	5,1 Cents	10,5 coms	18,6 <del>cents</del>
No taxation is psysble as the Compa	ny has an assessed to	e for the purp	Oyazı.

DIVIDENDS PAID ON DECLARED DURING THE HALF-YEAR Final ordinary dividend No. 46 of 8 cents per share, amounting to R10 416 000 for the year ended 30 June 1995 (1994) 14,6 cents per stars, amounting to R19 010 000),

was declared in May 1995 and paid on 28 July 1995. inserins ordinary dividend No. 47 of 5 cents per share, amounting to R6 510 000 for the half-year ended 31 December 1995 (1994; 10,3 cents per share, amounting to R1S 411 000), was declared in November 1995 and was paid on 5 January 1996.

BALANCE SHEET		A	4. 4. 4
		ndired	Audited
	31 De	30 June	
	1995	1995	
	R000	R000	R000
CAPITAL EMPLOYED			
Share capital	13 026	13 020	13 020
Share premium	259	259	259
Dimbumble conve	9 620	9 245	9 416
Shareholders' funds	22.889	22 524	22 695
	-		
EMPLOYMENT OF CAPITAL			
Fixed investment -			
Listed shares in Hurtebestforusits			
Gold Mining Company Limited	20 900	20 900	20 900
Net current spects	1 989	1 624	1 795
Corrent assets	9.422	15775	13 374
Current liabilities	7	1.5775	1,55,7
		1.4.61	11.500
- non-interest hearing	7 433	14 151	11 579
	22.889	22 524	22 604

The market value of the Company's bolding of 22 000 000 shares in Hartebeestfontein Gold Mining Company Limited was R202 400 000 at 31 December 1995 (1994: R407 000 000), compared with a book value of R20 900 000 (1994: R20 900 000).

The market value of the Company's other listed shares and depensures as cember 1995 was R5 326 000 (1994: R4 951 000) and their book value was R1 148 000 (1994; R951 000).

The number of chares in issue at 31 December 1995 agrounted to 130 202 850 with a net asset value of 161 cents per share. REVIEW BY THE INDEPENDENT AUDITORS The financial information set out herein has been reviewed, but not sudited, by Ernst

Company's registered office and the office of the London Secretaries.

AND ON BEHALF OF T	HE BOARD	
D. Wilson Chairman	Registered Office	London Secretar
Punsion .	Angiovani House	Angiovani Trust
CLOTS	56 Main Street	Limi
	Johannesburg	33 Davies Str
	2001	LONDON WIY I

THE TAX FREE WAY TO PLAY THE MARKETS'

7 February 1996

| Pric | Pric | Rotte | Rotte

90's PK 52 181 51 1.1 51 -11.1 51 -12.1 63 -40 543 25 -23 61.1

Int Captain Ca

INVESTMENT TRUSTS - Cont.

1.0 189.8 144 1.7 799.0 -36 0.6 118.9 17.3

**报 警** 操

1.8 579.1 905 - 115.0 85 4.0 107.7 125

B.B 132.9 15.0 3.8 154.2 -3.1 - 81.7 8.8

1.2 96.6 27 2.0 137.5 13.3 0.7 (N.) 123 31 381 ¥ ≃1 Å ° 40 4102 22. 12 5142 24

1.6 108.2 7.1

- 104.4 10.0 28 1380 28

1.1 458.8 11.6

0.5 1430 -7

は影談 0.9 100.6 14.7 00.8 -0.4 8.9 307.9 -.7 2.1 130.2 11.7 超網路 題 1.7 290.7 10.5

0.9 200.4 18.9 40 103.6 27.0 40 163.6 17.8

- 114.1 -40 - 113.1 -28

A CONTRACTOR OF THE STATE OF TH

de la com 1

197

**開催を持ちている。** のでは、 のでは

Parket .

3750°-

2

V2.

22

0.6 244.0 2.0

180.8 14.9 Warrants

2.4 40.7 22.5 Warrants Shift Crysler

1.6 186.7 16.6 Warrants Shift Crysler

1.7 186.7 16.6 Warrants Shift Crysler

1.7 186.7 16.6 Warrants

1.8 186.7 16.6 Warrants

1.8 186.7 16.6 Warrants

1.8 186.8 16.1 16.1 Warrants

1.8 186.8 16.1 16.1 Warrants

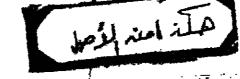
1.9 117.8 11.0 Warrants

1.7 117.8 11.0 Warrants

1.8 186.8 16.1 Warrants

1.8 186.8 17.1 Warrants

1.8 186.8 2.6 244.0 2.0 | 1122 | 113 | 200 | 120 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 - #8.1 - - 1.1
24.114.4 - - 1.5
27.186.6 14.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.1
28.114.7 12.



LONDON SHARE SERVICE MINY TRUSTS SPLIT CAPITAL - COUL Capin 2.565 1242 2.565 Robes Price State of the Committee of th Fig. 1.1.1 (Capture of the capture o Get May Fine! See Missel 17 17 17 12 12 10 11 1 2 2 2 2 1 1 1 2 2 2 2 1 1 1 1 1 2 2 2 2 2 1 1 1 1 1 heary flows had been a served as a served Selection of the property of t 52 week, like high two Canfford Tools, Tools PM Sen PAE STATE TO LABOUR Lab + 07 S week left | 10 S | Motes | Price | Sept Decimal Control of the Control of th 4.0 1.4 Alexandra Work - 17 1.5 1.5 1.6 Alexandra Work - 17 1.5 1.5 1.6 Alexandra Work - 17 1.5 1.5 1.6 Alexandra Work - 17 1.5 1.6 Alexandra Work - 17 1.6 Cardes William - 1 1917 112 201 PHARMACEUTICALS Mic Capem 2,968, 2,968, 351, 2 271, 1,196 32,847 706, 1,196 1,196 1,197 706, **福度於与。于李星為內別會自由** CANADIANS Visible trade set to grow on 7th March 1996 West Wash 1000 2,000 2,000 2,000 2,000 17,7 2,514 2,514 1,100 1,100 1. 4. Late おいる + 07 52 week Met Yel - Nigh low CapEm Bre -6 565 405 17,837 5.0 +14 5128 51157 68048 10.5 Service Control of the Control of th Why? Because videoconderwanding is able to all the subject of the business benefits at the videoconferences at the videoconfer QUIDE TO LONDON SHARE SERVICE 1250, CESE528 March 1996.

| Continued a large and a lar Prices for the Lordon Stere Service delivered by PT Eddel, a member of the Financial Times Group.

Company clearifications are based on those used for the FT-RE Actuarine Share Indices.

Clearing mid-prices are shown in pacte unless otherwise stated. Highs and types are based on inter-city mid-prices over a rolling SE week period.

Witers stacks are denominated in currencies other than starting, this is indicated after the name. at the videoconferencing seminar of the year on 7th March 1996. Call the world leaders in videoconferencing now on: See Coord.

\*\*\* See Coord.

\*\* And join us at: Gibson Hall, Bishopsgate, City of London EC2 Picture lel symmetric reterring to dividend eletion appear in the notice column delity as a guide to yields and PVE ratios. Dividends and Dividend covers are published on Monday.

Market copilalisation shown is catastriad expandibly for each line of attack quotad. | 1257.22 | 1257.1737.22 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | 1257.23 | NVESTMENT COMPANIES

INVESTMENT COMPANIES

Investment in the control service in the control INVESTMENT COMPANIES quoted.

Earnings used in calculations are based on Wile Vispatine Earnings Termula.

Price/earnings ratios are based on latest accurate and according and, where years, are updated on interior figures.

Yields are based on sod-prices, are green, advasted for a dividend last credit of 20 per cent and allow for value of declared distribution and rights. Yields are based on wal-prices, are groun, educated for a dividend list crack of 20 per cent and allow for value of declared distribution and rights.

Estimated Met Asset Values (Make) are shown for investment from the percentage decunity (Make), and prices per share, along with the percentage decunity (Make) or premium; (Prin -) to the current classing chare price. The NAV basis assumes prior charges at per values, convertibles converted and versions (Make) or premium; (Prin -) to the current classing chare price. The NAV basis assumes prior charges at percentage and prices are published continuously through the EAC sharps Automated Charletin system (SEAC) and mon-Lik social brought the SEAC international system.

Highs and loses marked from here been adjusted to allow for popular transpare.

International marked from here been adjusted to allow for popular transpare.

The sexual-kenter report translates, see details below.

This ACS) this propriet marked accompanies below.

This ACS) this propriet marked accompany not subjected to some degree of repulsible as based securities.

This ACS) this accompanied contributed convention.

This act are of suspension

Here at the of suspension

Here at the of suspension in progress

Forecast deleted by the type of the progress

Here are proposed or resumed to the progress of the p Madana (1984) | 141 | 1 | 141 | 1 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | 141 | l Triedu based on annualised dividend propagation collective investment advects.

A Yield based on annualised dividend propagation of the propagat letes around contently. 1998

In Fercical, or estimated an estimated expension of distination and distination and distination and present process are small examined. It are strictly processed on the secretary shows a strictly and the secretary shows, subject to the Estimated on the secretary shows, subject to the Estimate annual seminors. It are strictly traded in the lighted Ringdom in a feed at 1530 a year for each secretary shows, subject to the Estimate Structure.

For use an obstain the current annual/intentim report of any company annotated with \$. Please quote the code FT4040. Ring 0181 770 0770 (open 24 hours any company annotated with \$. Please quote the code FT4040. Ring 0181 770 0770 (open 24 hours including weekends) or Fax 0181 770 3822.

Reports will be sent the next working day, subject to availability.

Both Annual Reports and FT Company Focus are available from the above number.

FT Comprehensive 10-14 page report available on this company, containing key FT stories from the last year, latest survey of City profit forecasts and investment recommendations, 5 year financial and share price performance review, belance sheet and profit and loss data, plus recent Stock Exchange announcements for \$8.45.

To order, call 0121 200 4678.

Reports published by ShareFinder Ltd.

FT Cityline

Up-to-the-second share prices are available by telephone from the FT Cityline service. See Monday's share price pages for details.

An international service is available (or callers outside the UK, annual subscription £250 stg.)

Call 0171 873 4378 for more information on FT Cityline.

For readers phoning from outside UK, please dial +44 in place of the first 0. LEISURE & HOTELS Artous Notes Artour S. S. C. P. S. C. P

remarks to a construction of the construction

 $\mathbb{F}[t]$ 

; : -11 :

Ę

Spiry Capital

, 5

; ;

*y*' -. 3

;

r

# - 1.2 A

.

٠. د ۳

The second of th

್ಕರ್ಷ-ಚಿತ್ರಕ್ಕ - ೧

ī..<u>..</u>

Call 017: 873 4378 for more information on FT Cayline.
For readers phoning from outside UK, please disleved in place of the first 0.

March 2011

25

ges Work

er 🗥

CW-

野田から

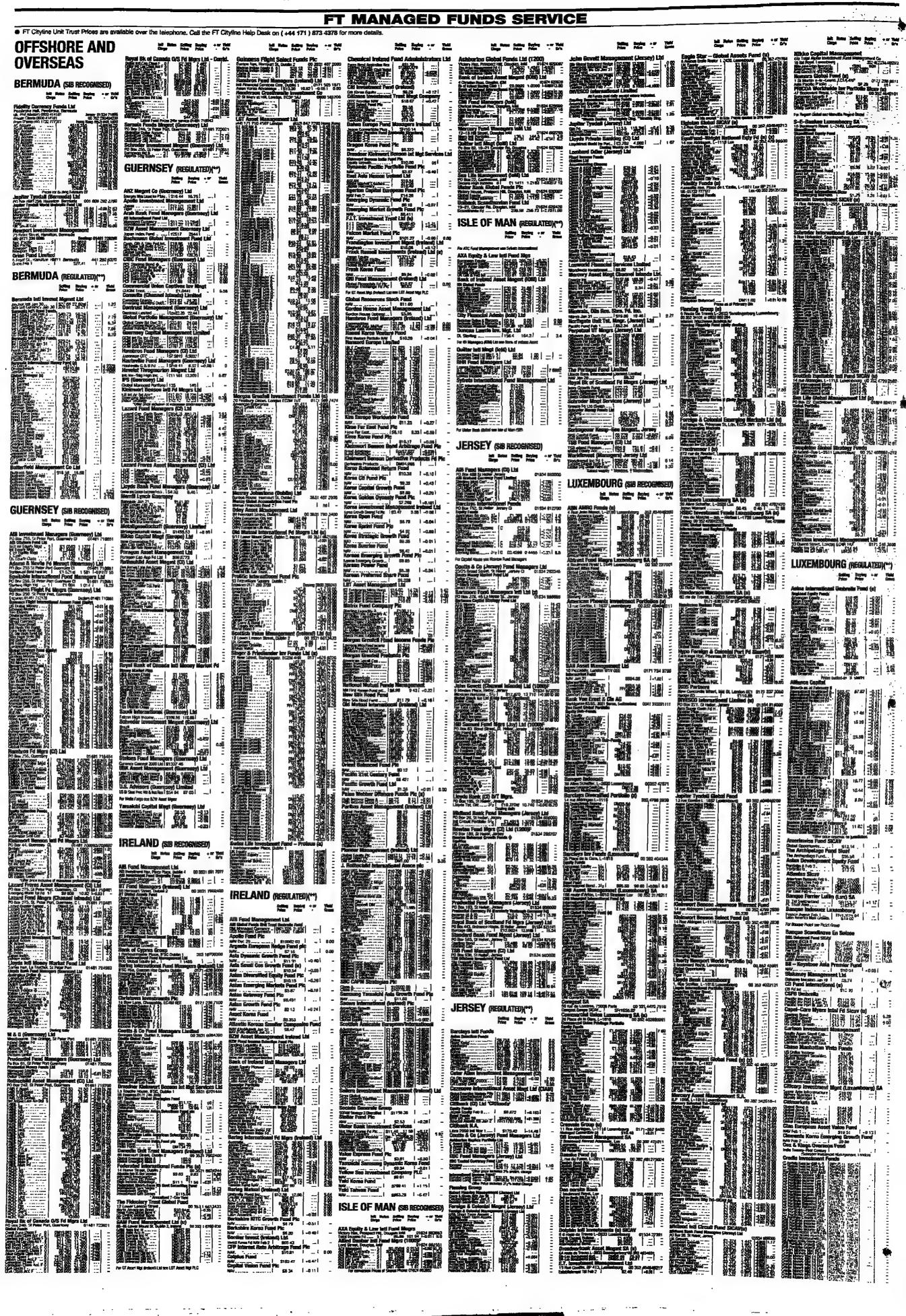
DEC.

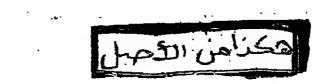
¥₹. 7°.

and the

inπi±s uning je

(图) 201

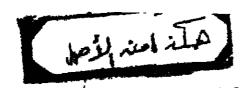




in the same

.

1



# FT MANAGED FUNDS SERVICE ● FT Cityline Unit Trust Prices are available over the telephone. Call the FT Cityline Help Desk on (+44 171) 873 4378 for more details. \$1098.00 State (angular Final State of :8881 .... | Eco1458.91 | ...| Ì **≈88**≴\ 1:881 G. Burd. J. Granter G -0.01 38 報8 報( 繼 150.3000 8.5000 | 150.3000 8.5000 | OTHER OFFSHORE FUNDS 1-001

#### LONDON STOCK EXCHANGE

# Earnings worries take the shine off Footsie

Worries about the effect on corporate profits growth of the slowing world economy hit share prices in London yesterday, in spite of a positive lead from Wall Street and international bond markets.

By the close the FT-SE 100-share index had dropped 21.4 points to 3,726.1, almost its worst level of the day. "A lot of the weakness is due to people recognising that we are getting near to the results season, and it is unlikely that there are going to be any pleasant surprises," said Mr Murray Wilson, UK strate-gist at NatWest Securities.

their forecasts for 1995 earnings growth and are also trimming their optimism about the outlook for 1996. A significant problem is that, on top of the slowdown in the UK, economies in Europe and the US are also looking weak.

The latest in a long series of profits warnings came from Prowting, the housebuilder. But another symptom of a slowing economy, in the form of expected weakness in US and European motor sales, hit engineering shares sharply.

The market received a brief lift from yet another record close on Wall Street, where the Dow Jones Industrial Average surged 52 points

on Tuesday. At its best, shortly after the opening, the Footsie was 10.5 points higher at 3,758.0.

But the initial gain soon dissipated, in spite of another spurt of bid activity, with the announcement of an offer for Lloyds Chemists from Gehe, of Germany, rivalling an earlier hid from Unichem. There were hopes that Unichem might return with a counter-offer. Speculation about a possible bid

for Pearson, which owns the Financial Times, refused to die, and there was a revival of the story that United News & Media might be selling the Express titles. But in contrast to 1995, takeover

rumours are not lifting the overall

a good day for gilts helped equities. Tuesday's US Treasury bond auction was completed successfully, prompting a wave of relief in international bond markets, and the

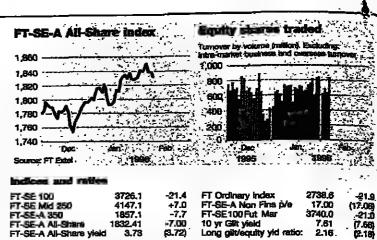
benchmark 10-year gilt finished around a third of a point higher.

Mr Mark Brown, head of strategy and economics at ABN Amro Hoare Govett, said: "Over the last couple of weeks, there has been a shift of perception in global bond markets in reaction to the latest round of interest rate cuts. The policy priority is seen to have moved away from controlling inflation towards reviving the real economy. The bond market may have turned an

As a result of this, equity valuations have got stretched relative to

bonds. Mr Wilson of NatWest points out that the yield on the All-Share index has got dangerously close to the real yield on index-linked gilts, normally a warning sign for shares. Shares trickled lower in the afternoon, and for once, traders could not blame Wall Street. The Dow was around four points higher at the close of London trading.

Volume was 705.5m shares by the 6pm count, of which around 56 per cent was in non-FT-SE 100 stocks. The value of customer business on Tuesday was £2.04bn, its highest level since the previous Wednesday.



forst perfo oring, Vehicles Engineeri Tobacco Diversified inds +0.2

# FT-SE 100 INDIEX FUTURES (LIFFE) \$25 per full Index point

# FT-SE MID 250 INDEX FUTURES (LIFTE) \$10 per full index point

E PT-SE 100 INDEX OPTION (LIFFE) (13727) 210 per full index point

-29.0 -28.5 -29.0

+5.0

High.

3772.0

3771.0

Low

#7:30L0

Fat. wal

12797

Open Sett price Change

3732.0

4160,0

FUTURES AND OPTIONS

3768.0

Calls 5.486 Puls 7.486

Calls 5,176 Pate 6,602 \* Underlying Index 1 Long Nated early seems.

Peter John, Joel Kibazo.

Jeffrey Brown.

## Airbus worries hit BAe

Leading engineers had a torrid day, with GKN, British Aerospace and TI Group accounting for the bottom three slots in the Footsie rankings. Scare stories about the cost

to BAe of participation in a new version of the Airbus took a firm grip on trader's imaginations and BAe shares came of 24 to 839p for a three-day decline of near to 7 per cent. BAe's partners in Airbus -France's Aerospatiale and

Dasa, of Germany - are known to be keen to compete more directly with Boeing and stretch the present 300 seater Airbus to 550. So far BAe, which has a 20

per cent stake in the European aircraft-making consortium, has made no comment. But calculations among City analysts suggest any project of this size could involve BAe in outlays of up to £1.5bg.

Capital spending on this level equates with several years' cashflow for BAe. The market talk yesterday was of heightened risk for the shares after their strong run-up in the traditional January rally for

GKN narrowly pipped BAe as the worst performing Footste stock, tumbling 28 to 825p as concern about weak motor industry trading in the US and Europe pushed the shares

The deflated motor sentiment left TI Group 11 cheaper

at 468p, and Lucas Industries off 5 at 193p in heavy turnover of 7.3m shares. Among second line engineers, packaging machinery group Molins jumped 25 to 849p. The shares stood at 490p last year.

#### Bid tussie

The market braced itself for a fierce bid battle for Lloyds Chemists, after German group Gehe finally launched a count er-offer for the retail pharmacy chain, topping UniChem's agreed share and cash offer.

Europe's largest drugs wholesaler pitched its cash bid at 450p a share for the ordinary stock, against UniChem's offer for the ordinary shares which, when valued at last night's close, stood at 408p a share.

One analyst said: "I expect UniChem to launch a counteroffer. They really seem to want this business." Analysts and traders were anticipating that UniChem could raise its offer to around 475p a share, though the more optimistic were suggesting it may choose to make "knockout" offer of 500p.

The prospect of an improved offer helped shares in Lloyds Chemists reverse Tuesday's decline and close 23 ahead at 467p, after a busy session that brought volume of 9.6m. Uni-Chem shares were also in favour and they hardened 3 to 248p, having 3.7m traded by the close. Pharmaceuticals distributor United Drug moved ahead 20 to 310p in sympathy.

In the rest of the retailers, further selling of Boots saw the shares relinguish another 2 to 604p. BZW has taken the stock off the buy list and now rates the stock a hold. United News & Media, the

group which owns the Daily Express newspaper, jumped as takeover chatter returned. Dealers suggested Sir Andrew Lloyd Webber, the composer and entrepreneur, was poised to pay some £300m for the Express, Sunday Express and Daily Star newspapers.

However, there were also suggestions that Mr Tony O'Reilly of the Irish Independent was ready to show his hand. Finally, there were hints that the group's regional newspapers might be up for sale. Although the rumours have

been around before, they grabbed a market hungry for gossip on a quiet day. And analysts said United's "no comment" response - compared to a straightforward denial last time - was bound to raise the speculative temperature. United rose 29 to 624p.

Television stocks moved higher, with persistent takeover rumours joined by opti-

# Scottish Television moved

mism for terrestrial channels

in the light of a House of Lords

vote to keep eight major sports

events on the terrestrial net-

forward 18 to 594p, HTV 3 to 349p and Yorkshire Tyne Tees 21 to 847p. Meanwhile, BSkyB. the satellite channel, was down 8 at worst but closed just 2 off Cable shares, held in check

in recent months by poor penetration figures, rebounded sharply. TeleWest Communications, which has lagged behind the market as a whole by 21 per cent over the past three months, jumped to the top of the FT-SE Mid 250 rankings. It rose 101/2 to 145p, while rival group NYNEX moved up 4 to 85p in 2.7m dealt.

Telecoms giant BT was the most active Footsle stock, dipping 4 to 356%p in turnover of 18m shares. British Gas was heavily

#### FINANCIAL TIMES EQUITY INDICES Feb 7 Feb 6 Feb 5 Feb 2 Feb 1 Yragen "High

2738.6 2790.5 2758.6 2784.8 2762.8 2337.7 2788.2 2238.3 3.79 17.07 16.85 3.79 17.05 16.83 3.76 17.20 16.96 4.50 17.82 18.95 4.73 21.33 22.21 3.82 3.79 17.08 16.85

Open 9.00 10.00 11.00 12.00 13.00 14.00 15.00 16.00 High Low 2786.9 2762.1 2753.5 2748.0 2747.4 2741.4 2740.9 2741.3 2741.5 2765.9 2738.5 Feb 7 Feb 6 Feb 1 Feb 2 Feb 1 Yr ago

SEAO bergeins	29,586	21,042	36,020	33.086	32,442	19,97
Equiky burnover (£mi†		2041 6	1649.6	1961.3	1628.5	1313.
Equity bergains†	-	38,511	40,685	37,512	34,841	27,73
Shures traded (milit		833.7	594.9	891.1	819.5	574.
Excluding intra-market but	ainess and ove	Target Name	ver.			

Pleas and falls'		62 Week highs	and lowe	LIFFE Equity optic	ens.
Total Rises Total Falls	734	Total Highs		Total contracts Calis	51, <b>87</b> 7 27,162
Seme	1,583	Total Lowe		Puts	24.725

traded, as dealers continued to to 220p after the group take a view on Tuesday's demerger announcement.

Along with volume of 14m shares in the equity market. the equivalent of a further 12m shares changed hands in the form of traded options. The stock finished the day unchanged at 243p.

Courtaulds fell 8 to 4280 on

talk that Merrill Lynch had turned cautious on the stock. BAA came off 3 to 486p amid talk of switching into a new convertible stock, which was said to have overshadowed the airport group's strong thirdquarter results. UBS placed £260m of 6 per cent convertible shortly after the announcement of the results and the shares, initially up 2, quickly turned tail.

Eurotunnel remained in favour following Tuesday's upbeat traffic numbers. The shares raced up the FT-SE Mid 250 rankings, gaining a further

A profits warning from housebuilder Prowting led to a number of steep broker downgrades, and the shares closed off 11 at 102p. Charterhouse Tilney cut back its 1995 estimate from £9m to £6.2m and felt that Prowting's statement augured badly for next week's results from sector leader Among building materials

stocks glass giant Pilkington jumped 5 to 206p, on a sizeable export order, to top the day's Footsie rankings. In contrast, Caradon retreated 12 to 216p in 2.9m traded. A broker's recommendation helped international drinks

and retailing group Allied

Domeco shake off Tuesday's

decline which followed the group's second profits warning in seven months. The shares firmed 41/4 to 511p, in trade of 3.6m, after

NatWest Securities upgraded its recommendation from "hold" to "add".

FT-52 100 FT-52 Med 200

FT-SE Mid 350 on line Tru FT-SE-A 350 FT-SE-A 350 Higher Yold FT-SE-A 350 Lower Yold

FT-SE SmallCap FT-SE SmallCap ax inv Trusta FT-SE-A ALL-SHARE

FT-SE Actuaries All

10 MINERAL EXTRACTION(24)
12 Extractive industries(6)

15 Oil, integrated(S) 16 Oil Exploration & Prod(18)

20 GEN INDUSTRIAL \$2769
21 Building & Construction(34)
22 Building Matte & Merchs(29)
23 Chemicals(23)
24 Described Industrials(21)
25 Electronic & Boot Equip(38)

27 Engineering, Vehicles(13) 26 Paper, Polig & Printing(25) 29 Touriss & Apparet(14)

30 CONSUMER GOODS(81

Heelth Care(20) Pharmaceuticals( Tobacco(1)

40 SERWICES253 41 Distributors(32) 42 Leisure & Hotals(23) 43 Media(43) 44 Retailers, Pood(15) 45 Retailers, General(43) 47 Brewerles, Pubs & Ret 48 Support Services(43)

49 Trensport(21)

60 UTILITIES(33)

68\_Water(12)

79 Property(41)

FT-SÉ 100

FT-SE Mid 250 FT-SE-A 350

Dectricity(12)
Gas Distribution

70 FINANCIALS(108) 71 Benks, Retail(8)
72 Benks, Merchant(6)
73 Insurance(24)
74 Life Assurance(6)
77 Other Financial(23)

69 NON-FINANCIALS(867)

80 INVESTMENT TRUSTS(127)

89 FT-SE-A ALL-SHARE(902)

■ Hourly movements

Open 9.00

■ FT-SE Actuaries 350 Industry baskets

aceuticals(13)

26 Engineering(71)

30 Alcoholic Ba

announced it was buying two companies for £20.7m. It intends to raise £18.3m in a one-for-four rights issue at 185p per share.

John Waddington, the games company, was heavily traded as Wise Speke, the Newcastle based broker placed 5.4m shares, which represented a 5.2 per cent stake in the company, at 190p a share. The underlying shares slipped 5 to 197p.

USM-quoted Learmonth & **Burchett Management Systems** fell 146 to 177p after warning that third quarter figures would be below analysts' expectations and result in a Britannic, the insurer.

improved 2 to 755p with ABN Amro Hoare Govett said to be predicting dividend growth of 20 per cent. National Grid eased 2% to 197p as Merrill Lynch reiter-

ated its bearish stance. Medeva gained 8 to 242p on a recommendation from Lehman Brothers.

Yorkshire Electricity dipped 12 pence to 729p on Tuesday's statement that it had received no bid approaches.

u	DU	N 742		** *	SSUES: I		•				
	Ams	Mid.				Chose	1				
nee.	paid	CEP	1996	20		price		, Net	Div.	<b>Gra</b>	P
P	Up	(£m.)	High	Low	Stock	Р	44-	div.	DOY.	yld	n
_	F.P.	6.28	852	54,	†Bellynetray			-	_	-	Т
120	F.P.	23.8	125	116	Century inne	119	-1	-	_	-	
-	F.P.	13.7	90	72	†Drnestek	73		_	_	-	
60	F.P.	35.4	68		MediaKey	65		L:0.96	-	1.5	
-	F.P.	0.13	- 8	8	TNON Point	Virte B			_	-	
-	F.P.	1.13	105		*Revelation P			-	_	-	
54	F.P.	3.21	80	53	Self Sealing	Sver 55	42	_	1.4	-	
	F.P.	0.97	812	В	SkyePharma		_	_	_	-	
_	F.P.	6.00	205		Viewing	200		-	_	-	
						of all other son	sbola s	-	er in	The Lo	w

38.28 3838.58 2272.74 2825.67 -2.7 2902.92 1966.36 2186.39 +0.0 2186.38 1380.86 43.06 2927.34 1786.20 65.07 2186.39 1366.39

2.07 1.75 1.80 2.01 1.83 2.32 1.83 1.92

1.87 2.13 2.03 1.87 1.49 1.86 2.24 1.26 2.53

1.77 1.79 1.74 2.15 1.76 1.69 1.94

2.10 1.79 1.94 2.16 2.41 2.27 2.08 2.53

26.84

23.29 12.89

15.68 B.12 1493.74

10.68 8.12 1498.16 20.10 21.96 1042.15 18.06 23.61 1046.27 16.46 8.66 1823.20 14.76 8.44 1255.04 16.76 4.06 1273.97 22.06 3.78 1839.78 19.80 3.00 1825.76 18.78 8.43 1826.96

17.09 0.00 1359.81 13.94 0.00 1213.70 17.04 0.00 1412.74

14.84 0.00 888.12

18.67 7.79 1321.06 15.92 28.48 991.40 17.42 4.53 1152.64 15.99 1.86 985.36

19.79 11.04 1181.94 19.00 0.00 950.19

21.97 104.50 1512.76 21.97 104.50 1512.76 26.19 7.49 1328.56 13.72 2.67 1209.96 17.80 2.99 1081.00 18.09 12.52 1415.84 20.95 1.81 1251.77

23.79 1.17 943.77

8.38 3.61 1148.61

19.10 2.55

16.10 High/day Low/day

28.48 991.40 4.53 1152.64 1.96 985.36 2.08 1161.22

0.00 1160.98

1089.00 674.64

941.50 1137.00

975.70 1175.78

16.39 1.97 15.55 0.36 16.58 0.61 16.69 0.91 15.15 3.32 20.16 1.91 16.90 3.48 25.47 0.23 13.02 0.39

3.85 3.68 3.79 4.64 2.88 1.10 1.53 1.73

3.82 3.61

3.77 4.38 4.18 3.64 2.65 3.17 5.00

3.00 3.67 2.83

2.21 3.79 3.10 3.32 2.36

3.77

5.76

4.29

16.00

-0.5 2456.08 2450.24 2459.16 2396.84 5.07 2.00 12.31 27.11 1033.98 -0.4 2761.09 2757.29 2764.85 2424.13 5.05 2.90 9.53 104.64 1331.36 40.2 1613.47 1626.27 1568.77 2042.04 7.41 1.04 16.22 0.00 811.17 -0.8 2002.06 1991.68 2020.18 2011.89 4.25 1.74 16.88 0.00 899.02

-0.4 1941.37 1940.84 1955.75 1641.62 3.78 1.94 17.00 7.07 1448.84

-0.2 2940.96 2838.42 2862.67 2119.06 3.85 2.32 13.96 0.62 1239.76 -0.2 4193.37 4189.36 4238.71 2779.57 3.58 2.60 13.43 0.00 1341.51 -0.8 3510.16 3820.73 3621.84 3105.74 2.68 2.41 19.38 0.00 1090.74 -0.8 1422.45 1419.89 1428.64 1164.24 5.17 2.69 8.89 0.26 1034.45 +0.1 3475.84 3496.20 3497.09 2346.58 4.01 1.53 20.38 0.00 1347.54 +0.1 2461.76 2473.56 2472.53 1849.93 3.60 1.87 18.57 1.06 1383.23

3157.02 +0.2 3151.77 3146.82 3156.85 2619.18 2.11 1.05 56.29 4.31 1094.05

1832.41 -Q.4 1839.41 1838.74 1852.55 1513.85 3.73 1.99 18.78 5.43 1826.96

-... 1142-63 1142-24 1142-26 963-24 2.96 2.21 -0.1 1137.54 1137.15 1138.88 984.99 3.25 2.42

Open 9.00 10.00 11.00 12.00 13.00 14.00 15.00 16.10 Close Previous Change

Feb 6 Feb 5 Feb 2 ago

-0.6 3251.25 3260.59 3291.35 2674.69 -0.9 4271.96 4284.61 4299.19 3480.67 -0.6 3352.45 3002.29 3340.23 2361.60 -0.4 2081.72 2081.26 2092.76 1944.77

-0.6 3653.14 3857.82 3703.10 2659.31

+0.8 1917.21 1908.75 1912.18 1588.54

-0.6 5212.68 5229.00 5315.20 3522.95 -1.6 4879.23 4862.29 4955.47 3808.14

-0.1 2298.02 2297.44 2312.69 1865.77 -0.3 2618.86 2625.95 2643.29 2271.58 -0.5 2659.13 2848.78 2669.62 2102.45

-0.1 3706.57 3725.72 3729.37 2758.66

+0.1 1927.20 1924.71 1950.37 1797.63 -0.1 1916.31 1918.77 1933.18 1540.84

-0.1 2978.47 2960.92 2968.26 2143.62 -0.4 1995.26 1981.53 1986.55 1453.19

-0.2 2122.33 2114.46 2103.77 1695.13

+0.2 1448.30 1445.83 1449.32 1375.26

10,00 11,00 12,00 13.00 14.00

 3757 3
 3752.5
 3744.3
 3739.6
 3739.7
 3732.2
 3730.8
 3731.4
 3727.4

 4148.8
 4147.4
 4145.3
 4144.8
 4145.5
 4146.7
 4148.0
 4145.5
 4146.8

 1889.3
 1867.5
 1864.0
 1882.2
 1869.2
 1859.3
 1856.8
 1859.0
 1857.5

<u>., 2296.81 2284,90 2326.48 2205.09</u>

-0.4 2081.72 2081.26 2092.78 1944.77 2.37 -0.7 2038.63 2035.48 2047.80 1817.38 4.08 -0.5 1088.47 1082.93 1085.68 942.14 3.77 -0.1 1898.62 1876.06 1897.33 1744.82 3.95 -0.7 2457.57 2448.80 2469.03 2207.59 4.02 -1.0 1799.11 1802.05 1818.36 1798.27 6.54 -0.3 2297.84 2296.37 2299.39 1900.72 3.16 -0.7 2273.38 2269.66 2260.31 1735.27 3.30 -2.1 2695.82 2703.32 2696.64 2096.14 3.90 -0.3 2635.85 2634.12 2643.27 2694.59 3.79 -0.2 1463.57 1481.48 1485.38 1484.14 4.70

M Regional Indiana Aldea (18) North America (12) Copyright, The Financial Times Limited 1996. "FT Gold Adness Indian" is a Times Limited, Rigures in brackets show number of companion. Basis US Do 31/12/92. † Partial. Ligant prices were unavailable for this edition. Carpet group Headlam rose 8 FT - SE Actuaries Share Indice Reb 6 Feb 5 Feb 2 -0.6 3747.5 3748.6 3781.3 3072.5 40.2 4140.1 4138.4 4182.2 3415.1 40.2 4145.1 4141.8 4167.5 3421.9 40.4 1481.1 1804.1 1879.2 1534.1 40.5 1866.5 1867.3 1813.3 1858.0 1508.3 40.1 2023.47 2023.51 2024.97 1714.88 40.1 2023.47 2023.51 2024.97 1714.88 40.1 2023.47 1838.74 183

3726,1

1832.41

3231.43

1896.48 2440.70 1781.19

37D4,46

Feb 7 chge%

III EURO STYLE FT-SE 100 INDEX OPTION (LIFFE) \$10 per full inde 3575 3625 3676 3725 3775 3625 2875 185 1½ 107 3½ 65½ 9½ 29 25 5½ 53 2 97½ 1 146 166 10 123½ 17 85½ 30 56½ 4½ 30% 76½ 18 100½ 8 180 178 32 142 44½ 100% 6 80% 81½ 87 107% 28% 138 30½ 174 180 73 117% 108 78 177½ 108 172 108 222 100 167 135 112 162½ MARKET REPORTERS BPB Inch. BSkydff

· 本山山村にからことから出土山田上 125048124614

18.00 V

"4

Secretaria in Shirt

ed thingset

-2 \$7\$1222444444 4444 まなかなれてしなからなってもこもな

388 849 1676 852 2 358 3731 4886 8537 7 358 358 1676 8532 1775 858 1676 8532 1775 858 1676 8532 1775 858 1676 8532 1775 858 1676 8532 1775 858 1775 8,800
7971
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1,000
1

いないというとしてあるとなる

Indicates an FT-SE 100

1074.7 1074.9 1073.8 1073.8 1074.6 1075.5 1075.5 1080.0 5143.7 5131.3 5125.7 5128.8 5116.1 5116.5 5156.4 2108.8 2108.5 21 Additional information on the FT-SE Actuaries Share indices is published in Saturday Issues. Lists of constituents : FT-SE International Ltd., The Podium, St Alphaga House, 2 Fore Street. London, EC2Y 5DA.

The FT-SE Actuaries Share Indices are calculated by FT-SE international Limited in conjunction with the Faculty of Actuaries. © FT-SE international Limited 1995. All Rights reserved. The FT-SE Actuaries Share Indices accordance with a standard set of ground rules established by FT-SE international Limited in conjunction with the and the institute of Actuaries. "FT-SE" and "Footsie" are trademarks of the most Stock Exchange and the Finan and are used by FT-SE International Limited and under Isones. Auditor: The WA Company." 1 Sector P/E ratios greate covers greater than 30 are not shown. \$\frac{1}{2}\$ Values are negative. DELETION: Cost Investments (Fledgling).

Financial Publishing | Providing essential information and objective analysis for the global financial industry With the increasing complexities and competition within the insurance market it is more crucial than ever before that you stay aware of the core developments shaping the global insurance industry. Benefit from the unmatched analysis of key industry events within the following reports. For further information on any of these titles, please tick the relevant boxes: A Strategic Analysis of UK Insurance Markets Captive Insurance Direct Insurance in Europe European Healthcare Insurance European Life Insurance The European Motor Insurance Market The German Insurance Industry The Global Insurance Market Insurance in the EU and Switzerland Insurance Opportunities in the UK Personal Debt Market The Marketing and Distribution of European Insurance New Opportunities in the Latin American Insurance Market The Future of Lloyd's and the London Market The US Non-Life Insurance Market Accounting Harmonisation in Europe 1995 German Accounting Explained International Guide to Interpreting Company Accounts European Tax Systems International Stock Exchange Listings Buying and Selling Accountancy Services Strategic Financial Management **Buying and Selling Legal Services** BLOCK CAPITALS PLEASE Name Mr Mrs/Ms Job Title/Position Company Name..

Please return to Rachel Mason,

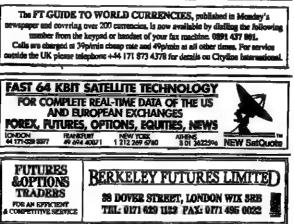
FT Financial Publishing, Maple House,

149 Tottenham Court Road, London WIP 9LL, UK. Tel: +44 (0) 171 896 2290 Fax: +44 (0) 171 896 2274

Postcode/Zipcode.

Nature of Business

Telephone









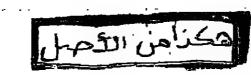
WANT TO KNOW A SECRET? the I.D.S. Goan Seminar will show you how the markets REALLY work. The amazing trading teckniques of the legendary W.D. Gam can increase your profits and contain your losses. How? That's the secret. Book your FREE place. Phone 8171 588 5858











عِلَمُ أمن إِدُمِ

1980-98
High Law Stack
18-1 13-1 Hu Ca Shun
63-1 42 Nasor Corp
18-2 13-1 Nav Cai
12-2 10-1 Nave Cai
12-2 10-1 Naveon M
11-1 97-1 Naveon N
11-1 13-1 13-1 Naveon P
15-2 13 Naveon P
15-4 13 Naveon P
15-4 13 Naveon P
15-5 15-5 18-1 Naveon P

026 0.5 16 1813 020 5.0 16 80 1.03 0.5 15 0.76 0.3 17 1.04 0.5 72 1.05 0.5 22 1.13 0.3 25 1.04 0.7 77 0.95 0.4 12 0.40 2.2 12 16 2.36 4.2 22 5527

八五病者而其之之故,如此以此此,其以此以此,其其以者其其其之

44.44444

| 1808-1908 | Yeal. PV | Element | State | Sta

J.

经上海经济收益 外接 一次的 经代表的经济 有上头上手的现在分词使说话的有情感的有名的情感的

27<sup>1</sup>q 50<sup>5</sup>e 38<sup>1</sup>4 11<sup>3</sup>e 54<sup>5</sup>e 11<sup>3</sup>e 27<sup>1</sup>2 15<sup>1</sup>e 74<sup>1</sup>e

1 PV Str. 1 PV S

0.80 3.0

Christo Press. Classes -12 +14 +14 +15 +14 +15

1985/95 Rups Lues Shook 38-k; 27 k; CUC Inst 52 11 k; Cubers 48 h; 34 Cummils 55 k; 35 k; CrbsW 11 h; 87 c Rest 39 h; 14 k; Cycara Syn 27 k; 10 CypSan 78 31 k; Cybers 78 31 k; Cyber 78 31 k; Cyber

28 1 om February ?

3-5 11½ Asset for 6875 479 ATEX 500 242 AR Rich 2 203 15 Africa Gas 1475 4175 Africa Gas 1775 Austra Fd 4114 284 Auftra 1775 Austra Fd 4114 284 Austra 1775 Austra Fd 4114 284 Austra 1775 Austra Fd 4114 Austra 1775 Austr 1775 Austr 1775 Austr 1775 Austr 1775 Austr 1775 Austr 1775 Aust

0.58 12.0 5 168 3½ 3 1.32 2.07457955 68% 67% 1.30 2.07457955 68% 67% 1.30 1.0 2100 273½ 273½ 1.08 8.4 38 99 19% 19% 0.25 26 9 50 10% 10% 154 79 16 74 18½ 19% 155 0 4.8 13 174 144% 113½ 1 124 11½ 19% 0.52 4.3 17 61 21% 21% 0.65 0.8 15 396 18% 19% 0.45 0.3 165 9% 9% 0.40 1.0 27 2845 40% 38% 0.40 1.0 27 2845 40% 38% 0.40 1.0 27 2845 40% 38% 0.40 1.0 27 2845 40% 48% 0.40 1.0 27 2845 40% 48% 0.40 1.0 27 2845 40% 48% 0.41 10 1146 7% 7% 0.60 1.3 12 279 48% 48% 1 27 270 147% 147% 68 288 81% 81% 674 2734 1944 1044 1144 1194 1194 274 1194 2754 1476 1484 1484 

1988 Law Month

8712 48 Bechrift

772 51 Bellerift

773 51 Bellerift

273 173 Bellerift

274 451 Bellerift

275 174 Bellerift

3714 273 Bennis

3714 273 Bennis

3714 273 Bennis

3714 273 Bennis

37 4912 Bennis

37 4913 Bennis

38 11 Bennis

38 11 Bennis

38 11 Bennis

39 11 Bennis

39 11 Bennis

30 11 Bennis

31 12 237<sub>6</sub> 19 CB 11
227<sub>6</sub> CHAS B1 1
227<sub>6</sub> CHAS CHI CHAS C 47'2 23'4 Calcina

31'4 Calcina

31'4 Calcina

31'4 Calcina

34'4 Calcin · 一种是一种 一种 一种 一种 人名英格兰斯 医多种氏病病病病病病病 经人名英格

- C -.1 なるのかれ -14 

25% 20% DPL Holdg
24% 15 Datins See
34% 21% Dates
34% 21% Dates
34% 21% Dates
16% 64% 1314, 85, EOC ind
1314, 85, EOC ind
1314, 85, EOC ind
1314, 85, EOC ind
1315, 81, EOC ind
1316, 81, EOC ind
1317, 81, EOC ind
1317, 81, EOC ind
1318, 81, EO - F -

2012年12日 14年12日 14年12 244 134 HBD Hose 214 16 HK From 214 16 HK From 214 17 16 HK From 521 237 Habbon x 144 67 24 Habbon x 144 67 Hbb Hrook Fab 16 16 17 17 Hrook Fab 16 16 17 17 Hrook Fab 16 16 17 17 Hrook Fab 17 17 17 Habbon X 18 Hrook Fab 17 18 Hrook Fab 17 18 Hrook Fab 17 18 Habbon ADR 25 19 19 Habbon ADR 25 18 Hrook Fab 26 18 Habbon Ca v 18 Habbon Ca v 18 Habbon Ca v 18 Habbon Ca v 18 Habbon C 0.06 0.5 14 467 0.34 3.1 64 31 0.28 1.0 13 139 1465 54.5 22 2081 0.36 2.3 17 12 0.22 4.5 61 25 0.84 9.0 63 16<sup>1</sup>2 16<sup>1</sup>6 11 11<sup>1</sup>6 11 28 27<sup>1</sup>6 27<sup>1</sup>6 28<sup>1</sup>6 16<sup>1</sup>7 16<sup>1</sup>7 4<sup>1</sup>7 4<sup>2</sup>7 18<sup>1</sup>2 8<sup>1</sup>7 -14 -14 +14 +14 计通信记录记录记录 有通信 水學 医水子 有其有者 计分类性的设备分类 经存货工作 大學

444 古者 有有人的名词复数有人的情况 有者 有人的人的人的人的人 \*\*\*\* 4 444 4 4444

S1<sub>3</sub> 11<sub>2</sub> LA Gear 425<sub>9</sub> 383<sub>9</sub> LS & E En 425<sub>9</sub> 383<sub>9</sub> LS & E En 425<sub>2</sub> 383<sub>4</sub> 193<sub>9</sub> La Cabria; 333<sub>4</sub> 293<sub>9</sub> La Cabria; 333<sub>4</sub> 293<sub>9</sub> La Cabria; 333<sub>4</sub> 293<sub>9</sub> La Cabria; 333<sub>4</sub> 183<sub>9</sub> La Cabria; 133<sub>9</sub> 183<sub>9</sub> La Cabria; 133<sub>9</sub> 183<sub>9</sub> La Cabria; 133<sub>9</sub> 183<sub>9</sub> Lamon & 133<sub>9</sub> 173<sub>4</sub> Lamon & 133<sub>9</sub> 173<sub>4</sub> Lamon & 133<sub>9</sub> 173<sub>4</sub> Lamon & 133<sub>9</sub> 173<sub>9</sub> Lamon & 173<sub>9</sub> 173<sub>9</sub> 173<sub>9</sub> Lamon & 173<sub>9</sub> 173<sub>9</sub> 173<sub>9</sub> 173<sub>9</sub> Lamon & 173<sub>9</sub> 1 302 212
222 52 16 64 425
0.10 0.4 27 407 28
0.76 2.3 18 20 6331
1.24 5.8 13 85 215
0.40 2.1 10 98 194
0.40 2.1 10 315 694
0.40 3.7 15 124 197
0.62 2.4 16 37 255
0.40 3.7 15 124 197
0.62 2.4 16 37 255
0.40 3.7 15 124 197
0.62 2.4 16 37 255
0.40 2.3 13 13 305
0.40 1.9 16 98 247
0.20 0.8 15 127 25
12 0.10 0.4 13 264 254
12 0.10 0.4 13 264 254
13 10 29 100 37
1.08 9.7 235 0114
0.60 1.9 27 13 355
1.70 2.4 14 467 584
0.40 2.4 5 5677 157
1.70 2.4 14 467 584
0.60 7.8 12 27 160
0.45 1.4 26 1374 374
1.70 3.3 10 702 252
0.65 5.8 32 174
0.80 0.7 12 25 275
0.90 0.7 17 28 160
0.45 1.4 26 1374 374
1.00 2.0 21 26 67
1.00 1.2 8 1245 844
0.20 0.7 17 25 275
1.00 2.0 21 66 67
1.00 1.2 8 1245 844
0.20 0.7 17 25 275
1.00 2.0 21 66 67
1.00 1.2 8 1247 844
1.00 3.4 10 19 35
1.40 1.8 26 1760 775
1.70 1.2 8 1767
1.70 1.2 8 1247 844
1.70 3.4 10 283 164
0.30 0.7 27 27 27 27
0.31 13 27 24 27
0.32 0.8 30 19 0.00
0.7 17 27 27
0.34 13 222 27
1.10 3.3 10 59 254
0.72 1.4 10 59 254
0.72 1.4 11 580 254
0.73 0.8 30 74 257
0.74 1.70 3.8 30 74 257
0.72 1.4 11 580 254
0.73 0.8 30 74 257
0.74 1.70 3.8 10 10 204
0.75 1.7 10 274
0.80 0.7 10 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305
0.7 20 1450 305 77\*2 55% MSNA Ing 24\*3 16\*2 MSNA Ing 24\*3 16\*2 MSNA Ing 25\*3 17\*4 SOUT Reg 25\*4 11\*5 MSNA SOUT Reg 25\*4 11\*5 MSNA SOUT Reg 25\*4 11\*5 MSNA SOUT Reg 25\*4 15\*4 MSNA Ing 25\*4 15\*4 MSNA Ing 25\*4 15\*4 MSNA Ing 25\*4 15\*5 MSNA Ing 25\*4 MSN 55-1, 30-3, Memilik x
13-1, 27-1, Memilik x
13-1, 27-1, Memilik x
14-1, 31-1, Memilik x
16-2, 61-1, Memilik x
16-1, 61-1, Memilik x
16-1, 61-1, Memilik x
16-1, 61-1, Memilik x
16-1, 61-1, Memilik x
17-1, 13-1, Memilik x
17-1, 13-1, Memilik x
17-1, 13-1, Memilik x
18-1, 16-1, Memilik x
18-1, Memili | 1945年 | 1947年 | 1945年 | 19

\*\* \*\*\*\* 4 544, 38-1, Premits
324, 214, Privaria
324, 214, Privaria
324, 214, Privaria
324, 214, Privaria
324, Privaria
324, Privaria
324, Privaria
324, Privaria
324, Privaria
327, Propi in
324, 39, Provi in
324, 39, Provi in
324, 39, Provi
324, 39, Provi
324, 39, Provi
324, 39, Provi
325, 207, Provi
327, 12, Pobladia
321, 227, Provi
328, 207, Published
324, 207, Published
325, Published
325, Published
325, Published
326, Published
327, Publis

· 在我们的一个时间,我们就是一个时间,我们就是一个时间,我们就是一个时间,我们就是一个时间,我们就是一个时间,我们就是一个时间,我们就是一个时间,我们就是一个时间,我们就是一个时间,我们就是一个时间,

西路城市 西西西南西西 海北縣 有一樣傷者所以物性一致

3

は ない をす

明日の日本の一大大学のは、ころうないのでは、

中 一年日本の 一年日本 中日本の あいないしゅうしゅう あな しゅうけんかんち

667<sub>6</sub> 522<sub>6</sub> MCH Corp

84 467<sub>6</sub> Miscocch

27 121<sub>4</sub> Mischau

162<sub>6</sub> 102<sub>4</sub> Mischau

163<sub>6</sub> 102<sub>6</sub> Mischau

163<sub>6</sub>

经存储的 人名英格特特别名称 化 经存货的工作设备 接着 過れるはん 251<sub>2</sub> 181<sub>4</sub> RL Curp 0
12 81<sub>2</sub> ROCTollevian 0
51<sub>4</sub> 44<sub>5</sub> RPS Readly 0
25 213<sub>5</sub> Relacep 1
25 213<sub>5</sub> Rel 4 

111, S Antig Rt
251, SPS To
71, States Rt
111, School SE
127, Stroot
111, School SE
127, Stroot
131, S - S 0.80 6.2 4 13 13
1.26 2.3 25 41 12584
1.19 13.8 7 184 84
0.36 2.4 16 787 15
6 31 13-6
0.20 0.4 21 77 5544
1.88 6.5 12 6 34
1.60 2.8 10 1021 504
1.50 2.1 14 258 107
0.36 2.5 28 382 144
0.36 1.7 14 1124 383
0.16 1.8101 422 9-3
0.16 1.8101 422 9-3 13 13
5514 5614
852 873
4714 474
1414 1476
2514 28
34 34
3515 572
871 314
3818 3818
818 818

BE OUR GUEST. FINANCIAL TIMES

\*\*\*\* \*\*\* \*\*\* \*\*\*

香香花花 山南 南京大学 山北市

63 50½ GATX 1.875
54¼ 40½ GATX 1.875
54¼ 40½ GATX
55½ 11½ GATX
51½ GATX
10 8½ GATX
10 8½ GATX
10 8½ GATX
24 11½ GATX
51 20½ GATX
51 20½
51 20½ GATX
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
51 20½
5

- G -

52<sup>1</sup>g 37<sup>3</sup>t J Rhee PF 53 39<sup>3</sup>g J Rhee I. 13<sup>3</sup>g 7<sup>3</sup>t Jacobs Seg 10<sup>3</sup>g 7<sup>3</sup>t Jacobs J 10<sup>3</sup>t 27<sup>3</sup>t Jacobs J 12 7<sup>3</sup>g Johnston 25<sup>1</sup>g 17<sup>3</sup>t Joseph In 25<sup>1</sup>g 17<sup>3</sup>t Joseph In

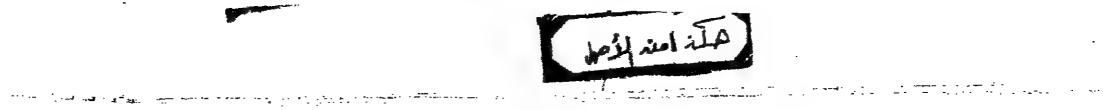
39½ 24% KIM R Dight 30½ 26½ KRI Everty 70 51 % Kentot 4 5 x 25% 20% Kristob Pf x 69½ 7½ Kandob Pf x 69½ 7½ Kandob Serv 26% 21½ Kandob Serv 26% 22% Kandob 11% 9% 810 Ben Alas x 79½ 52½ Kandob 11% 9% 81 Kandob K

3.38 7.0 3.50 7.1 2.032 2.5 15 0.11 1.1 0.18 2.1 1.28 2.5 14 7.88 8.0 1.84 2.3 1.4 25 1.32 1.4 25 0.40 4.8 20 0.86 3.8 18

بار.

· ·

4 pm close February 7



NASDAQ NATIONAL MARKET

	FINANCIAL TIMES THURSDAY FEBRUARY 8 1996 *	
ોવર્દ	NYSE COMPOSITE PRICES	
irk	Talleston Wat, Pr. etc. Green	77 58
	Constanted from previous page 17% 1242 Taker Pt 110 629 - 29 1814 for the last class light law Sents. The 12 Taker Pt 110 629 - 29 1814 for the last class light law Sents.	Stack
	27 592 576 799 X 340 7.9 18 20 1377 375 375 375 375 375 375 375 375 375	Accident 12.4553 1114, 103, 10 Acceptable 7 18 173, 17 17 Accident Co. 42 601 274, 2542
- 1	This 57 Schember 225 32 20 13 8tg olg 315 625 625 625 10 12 816 61 315 625 625 10 12 816 61 315 625 625 625 625 625 625 625 625 625 62	Adaptech 2834605 te56 <sup>6</sup> g 49 <sup>1</sup> g 50 ADC Tele 40 4580 39 <sup>1</sup> g 38 Addregion 42 715 13 12 12
	50 254 504 504 504 504 504 504 504 504 504 5	AdbAOR 0.16 11 42 24 <sup>3</sup> g 24 24 Adots Sps 0.29 2816404 36 <sup>5</sup> g 35 <sup>3</sup> g 35 Adet Logic 12 221 7 <sup>3</sup> g 6 <sup>3</sup> g
	25 15 Scotton 0.10 0.6 11 1607 174 15-2 17 12 279 37 374 4-6 20 15 15 Scotton 0.10 0.6 11 1607 174 174 174 174 174 174 174 174 174 17	Admir Polymo
	20 13-5 2000 16 0.70 42 1 8 164 1612 1814 41 43 16 Terrahyan 122063 24/2 22/2 41/2 26/1 1714 Vera inc. 20 23/2 23/4 27/4 27/6 1614 1615 20007. 488 8.8 19 1513 1514 1514 41 714 314 Terrak 2006 1.7 1 282 515 514 514	AgeicoEn 8.10 45 368 ti 17% 1614, 16 AirCopr 0.20 14 768 2212 22 AGEO AGE 1.63 5 334 365 357 31
1 (1925)   1   1   1   1   1   1   1   1   1	### 391 September 1	Marie 0.88 18 636 23 <sup>1</sup> 2 29 23 Marie 0sp 0.52 12 12 41 <sup>1</sup> 4, 46 <sup>3</sup> 4, 47 Marie 11 12 2702 17 <sup>3</sup> 2 18 18
	44, 324, Sensil 0.92 2.1 11(3937 4445, 423, 4444 4172 3172 1838 7445 423, 4444 4172 17 1838 7445 423, 4444 4172 17 1838 7445 423, 4444 4172 17 1838 7445 423 183 183 183 183 183 183 183 183 183 18	AMACANNI 1.16 15 111 18 17 <sup>3</sup> p 17 AMACANN 1.54 12 332 13 <sup>3</sup> c 13 <sup>3</sup> c 13 <sup>3</sup> c 13 AMACANNI 0.05 22 8141 3 <sup>3</sup> c 3 <sup>3</sup> c 3 AMACANNI 0.05 22 8141 3 <sup>3</sup> c 3 <sup>3</sup> c 3
	10	Am Banker 0.78 11 1007 2574 5575 71 Am Banker 0.78 11 1007 2574 2575 25
sal	73 and surface and 10 3458 5-14 44 512 45 110 4158 5-15 5-15 110 5-15 5-15 110 5-15 5-15 110 5-15 5-15	Am Manng 34 1752 22 <sup>5</sup> g 21 <sup>5</sup> g 22 Am Seltum 0,32475 423, 5 424 4 Am Frings 25 1190 11 <sup>5</sup> g 18 <sup>5</sup> g 18
rge	175 To Shedy Will Cl28 24 15 26 114 1112 1112 11 2 4 25 25 1000 32 15 27 1886 334 324 324 42 4 18 20 11 27 1886 324 324 324 42 4 4 4 4 4 4 4 4 4 4 4 4	Ambita 0.64 17 1610 27 <sup>3</sup> 2 27 22 Ambita 1 628 31 5 <sub>8</sub> 0 Ambita 238 9 147 68 47 Ambita 238 9 147 68 47
and	10 2 52 TERRORD 28 410 87 57 124 125 127 125 125 125 125 125 125 125 125 125 125	Am Trans 13 2254 27°5 27°5 27°5 2 Amagon loc 4318507 627°s 60°4, 62 Amagon loc 43 226 5°4, 5°2 18
3.0	Fig. 3 States 4.15 4.9 55 633 34 314 314 47 329 Tentaka ft 29 Tentaka ft 0.95 0.6 21 73 384 375 385 374 384 174 375 385 375 38	Anatysk 0.16 27 16 19 2 18 2 18 Anatysk 10 180 18 190 30 1 20 20 30 Anatysk 10 10 12 30 12 115 11 115 11
ected	944 276 Sepand 94 0.0 1.9 14 55 321; 221; 224; 224; 235 425 425; 425; 435 425; 425; 435; 425; 435; 425; 425; 435; 425; 425; 435; 425; 425; 425; 425; 425; 425; 425; 42	Indirecto 25 4221 48 <sup>3</sup> s 46 <sup>3</sup> s 46 <sup>3</sup> s 47 Indirector In 40 55 15 <sup>3</sup> s 14 <sup>3</sup> s 14 <sup>3</sup> s 14 Indirector In 15 2736 18 <sup>3</sup> s 18 <sup>3</sup> s 18 <sup>3</sup> s 18 INFR 103 372 7 <sup>3</sup> s 7 <sup>3</sup> s 7 <sup>3</sup> s 18
	56 35 4 SRBchild 1.13 2.1 22 283 55 55 542 55 1.2 5	Apple 1821 1972598 44.43 38.99 35 Apple 9.49 2132140 25% 27% 28 Apple 10.5 22 6168 18% 1872 18
	15% 9% Stycker OI 0.28 2.6 14 4.01 10% 10% 10% 10% 10% 10% 10% 10% 10% 1	Answr Dr 9,20 23 336 25 <sup>1</sup> 4 21 <sup>3</sup> 4 22 Ancteo 9,34 13 1451 10 <sup>3</sup> 4 10 <sup>3</sup> 2 10 Angenest x 1,32 14 817 34 <sup>3</sup> 4 32 33
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		Artification 6.04 32 1636 5% 5% 5% 5 Armer 40 0.54 18 77 16 15% 15 Armedd tu 0.44 11 236 14% 14% 14% 14 Artificit 5 2740 7% 6%
- 13 日本 2 元年 4年 - 47世 4 年 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	272 17% Studerstad 1.44 8.4 13 183 2812 214 224 225 276 277 277 277 277 277 277 277 277 277	Artholt 5 2749 7 g 6 g Aspectical 36 2811 040 2 38 g 44 AST Recti 1 7443 8 4 7 g 7 Addison 2 66 10 g 9 g 10
- The Control of the	475 314 Section 1.70 4.2 16 171 201 3 412 415 12 214 10 17 10 14 17 10 12 11 1	A6 SEAr 0.34 13 6452 21 <sup>5</sup> a 20 <sup>5</sup> c April 2525327 32 <sup>3</sup> c 36 30 AuroSya 40 2328 4 <sup>3</sup> g 4 <sup>3</sup> g 4
The process	99 34 Sparten CD 3 69 3% 312 312 32 34 7 12 18 18 5% 5% 104 117 118 18 5% 5% 104 117 118 18 11 2017 117 118 18 5% 5% 104 117 117 118 118 118 5% 5% 104 117 117 118 118 118 118 118 118 118 118	Audate 8.34 3210218 34% 30% 30 Audated 16 39 34, 3% 3 Audated 21807 3% 3% 3%
100 March 100 Ma	444, 554 Spring 1.00 2.3 (15.00) 4.07 4.1 4.4 4.5 57 5.00 1.00 2.3 (15.00) 4.07 4.3 4.3 4.3 4.7 4.7 4.5 4.5 57 5.7 5. 175 104 SFX 0.40 2.0 20 20 145 145 157 14 4.5 175 104 SFX 0.40 2.0 20 20 145 145 157 14 4.5 175 115 115 115 115 115 115 115 115 11	Avendalo 0.32 810838 16 <sup>1</sup> 4, 15 <sup>1</sup> 4
42 11-25	20% 12% Std Mater 0.32 2.1 6 30 16 14% 15 1 31% 12% 1581 44 2567 25% 25% 25% 25% 25% 25% 25% 25% 25% 25%	- 18 - 8 Et 81 8.08 TT 8 7 <sup>3</sup> 2 7 <sup>3</sup> 4 1 Baster J 8.08 2 260 5 <sup>3</sup> 4 4 <sup>7</sup> 2 1
The second of th	10 20 Compleme and the test of	Blainest   6   6   6   6   7   6   6   6   6   6
in interior 1717 in the fact 1817 in country	34 35% Smitht. 1.44 2.7 00 1182 USH 52% 54 1  342 25% Smitht. 1.44 2.7 00 1182 USH 52% 54 1  342 25% Smitht. 1.44 2.7 00 1182 USH 52% 54 1  342 25% Smitht. 1.40 2.7 10 2187 USH 52% 54 1  343 25% Smitht. 1.40 2.7 10 1182 USH 52% 55% 25% 25% 25% 25% 25% 25% 25% 25%	BankaruCp 0.58 18 80 17 <sup>3</sup> H 17 Beningett 0.82 10 19 34 <sup>1</sup> 2 34 34 Banka Guo 0.66 15 546 40 <sup>1</sup> 2 38 <sup>1</sup> s 44 Banka F 0.80 14 342 25 <sup>1</sup> s 24 <sup>1</sup> s 24
	12\(\frac{1}{2}\) 6\(\frac{1}{2}\) StringSurp \(\frac{1}{2}\) 2\(\frac{1}{2}\) 13\(\frac{1}{2}\) 13\(\frac{1}\) 13\(\frac{1}{2}\) 13\(\fra	Begitheit: 3944219 46 45 <sup>1</sup> 2 46 Begitheit: 3,00104 8298 450 <sup>1</sup> 4 25 <sup>1</sup> 4 30 Begitheit: 2,40 19 900 98 <sup>1</sup> 4 67 <sup>1</sup> 2 67
a following	394 23 Streets 42 727 274 274 444 127 1714 (Maritanus 2.20) 1.1 16 1607 1614 1614 1614 1614 1614 1614 1614 161	BE Ann 65 881 13 <sup>1</sup> 2 13 Bantificos 8.42 12 219 9 <sup>1</sup> 4 8 <sup>2</sup> 8 8 Birridofit 46 181 2 61 <sup>3</sup> 4 1
	2 277 276 276 476 476 477 176 276 476 477 176 276 477 176	San Livry   800   90   16 <sup>1</sup> / <sub>2</sub>   16   Backloyee 0.46   18   170   50 <sup>1</sup> / <sub>4</sub>   14 <sup>1</sup> / <sub>2</sub>   24   6144   617   61
e religio de marco. Maio estre esta la companio de la companio del companio de la companio de la companio del companio de la companio del companio de la companio de la companio del companio de la companio de la companio de la companio de la companio del companio dela	54: 375 Sun De 32 .0.24 5.2 3 58 449 449 5 3 58 459 15 15 15 15 15 15 15 15 15 15 15 15 15	Sig B 0.20 12 2311 11 <sup>2</sup> g 11 11 Binday W 0.08 12 5 18 <sup>1</sup> g 18 <sup>1</sup> g 18 Biogen 49113385472 <sup>1</sup> g 70 <sup>1</sup> g 72
ing an Berlin Unit of Late (Par Latent California	71/4, 44/2 Stream 1, 20, 1, 7, 20, 487, 70, 684, 684, 487, 70, 684, 684, 487, 70, 684, 684, 487, 70, 684, 684, 487, 70, 684, 684, 487, 70, 684, 684, 684, 70, 70, 70, 70, 70, 70, 70, 70, 70, 70	Block Org 1.16 8 97 39% 39 BMC Soller 31 4301 53% 52% 53
er i de la companya d	14% 10% Store Food 0.40 3.4 73 184 11% 11% 11% 11% 11% 11% 11% 11% 11% 11	Bostone S 1.46 12 5022 41% 414 41 Beb Bruns 8.32 12 1056 16 <sup>1</sup> 6 18 16 Boole 8.8 19 190 23 <sup>1</sup> 4 22 <sup>1</sup> 2 Bertund 1217450 20 <sup>1</sup> 6 19 <sup>1</sup> 2 15
1, 10, 2, 3, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4, 4,	193- 183- Univ Min 1,00 8.7 12 182 193- 193- 193-	Boston Bit 0.76 7 276 42½ 41½ 41 Books: Tc 58 1248 14½ 13¾ BredyW A 0.40 17 32 28 22
e e e e e e e e e e e e e e e e e e e	164, 85 Univer City 0.30 2.8 16 125 104, 104, 104, 105, 105, 105, 105, 105, 105, 105, 105	Brence 0.20 8 180 17g 97g 6 BSR 8nop 0.80 11 18 22 <sup>1</sup> g 22 <sup>1</sup> g 22 6T Salong 0.40 42 75 3 3 Buffels 16 2238 13 <sup>1</sup> g 12 <sup>1</sup> g 12
er var engelærde Varget i fra 1988	325 18-1 TOF Frame 0.02 18 18 1741 324, 314, 324 4-3 185 125 US by 185 175 US by 185 185 185 US by 185	Bultimo? 18 7 8-1 74 7 But Bren 15 1829 29 <sup>1</sup> 2 28 <sup>1</sup> 2 Destroor 21 296 38 <sup>1</sup> 4 37 33
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	91. 61. Symmethy 0.20 2.8 18 4 77. 77. 77. 77. 77. 77. 77. 77. 77. 7	BullerMit 9.49 11 349 35 <sup>1</sup> 4 34 <sup>1</sup> 2 35
erg of the Africa erg and erg and the Africa erg and the Africa		= C = CTac 8 771 36 <sup>3</sup> c 25 30 Casticings 1.20 17 67 30 <sup>3</sup> z 30 <sup>3</sup> c 30
= 1 127 - 127 - 127 - 127 - 127 - 127	AMEX COMPOSITE PRICES 4 pm clum February 7	Canimus Care 0.20 22 49 25 <sup>1</sup> 2 29 25 Care 0.0 48 1979 8 <sup>7</sup> 6 8 <sup>3</sup> 6 8 Calpane 225 5 1820 6 <sup>1</sup> 6 5 <sup>1</sup> 2 1 Car Majoro 25 2556 17 <sup>7</sup> 6 16 <sup>7</sup> 9
The state of the s	N See	Checken , 53, 446 7 <sup>1</sup> 4 6 <sup>1</sup> 5 Content 7 15 2 <sub>6</sub> 2 2 <sub>7</sub> 2 2 Cascounte 0.52 53 34 96 <sup>1</sup> 4 95 <sup>2</sup> 5 55
1995 (1995) 1995 (1995) 1995 (1995)	Mobile Div. II 1000 High Law Consul C	Custonicos 0.77 24 84 33 <sup>2</sup> g 32 <sup>2</sup> g Cuscade 0.58 10 185 13 <sup>3</sup> g 23 <sup>3</sup> g 23 Cuspane 14 2385 16 <sup>3</sup> g 15 <sup>3</sup> g 15 <sup>3</sup> g 15 <sup>3</sup> g 15 <sup>3</sup> g 16 <sup>3</sup>
10-10-10-10-10-10-10-10-10-10-10-10-10-1	Panelinal 2 10 11% 11% 11% 11%	CENTOP 18 51 14 <sup>1</sup> / <sub>2</sub> 78 <sup>2</sup> / <sub>1</sub> 74 Custocor 21 7803 23 31 <sup>2</sup> / <sub>4</sub> 22 Cust Fig. 1.20 16 380 32 <sup>2</sup> / <sub>4</sub> 22
A STATE OF THE STA	ASS Lord 2 10 8 22 17/2 17 17/2 + 4 Demark 22 538 13/2 12/2 13/2 - 3 beet 8.08 36 3698 27/2 27/2 27/2 27/2 4/2 heptech 14 177 4/4 4/2 4/4 1/2 11/2 11/2 11/2 11/2 11/	Cagri Spr .13 76 34 <sup>3</sup> 2 32 <sup>5</sup> 2 32 Chandlet 14 16 6 <sup>5</sup> 8 6 <sup>3</sup> 8 ( Cappler 1 0.80 42 2319 32 31 <sup>5</sup> 8 3 CarreSp - 0.00 1213838 3 <sup>3</sup> 2 3 <sup>3</sup> 8 3
\$1.2 (2.24) FE	America 72 7100 4 8 4 8 4 8 5 12 12 12 12 12 12 12 12 12 12 12 12 12	Decidite 4 1345 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Subject to 0.74 13 125 176 174 177 13 15 15 15 15 15 15 15 15 15 15 15 15 15	CalpaSTe 12 3880 10 6 <sup>8</sup> m 1 Calmon Co 8 5041 113 <sup>2</sup> 2 110 <sup>3</sup> 4 113 Calpa Fin 1.36 15 401 64 65 61 Calpa Gu 0.20 33 387 48 48 <sup>3</sup> 2 4
يودا منسه	The state of the s	Chean 13419799 12 <sup>3</sup> 11 <sup>1</sup> 12 12 Cheanles: 193008 28 28 <sup>1</sup> 28 CRS Tach 20 3743 2 <sup>2</sup> 2 <sup>3</sup> 2 <sup>3</sup> 2
45	Temps 0.35 134:78 1872 1812 1812 1812 1812 1812 1812 18	CascoSys 5045789 90 67 <sup>1</sup> 2 66 Ctz Suncp 1,12 13 149 32 <sup>2</sup> 4 31 <sup>3</sup> 2 31 Cases Hir 8 220 2 <sup>2</sup> 6 2 <sup>2</sup> 6 1 Cases Dr 132 11 14 <sup>2</sup> 6 14 <sup>2</sup> 6 14
	Delivor 28 10 \$4 \$4 \$4 \$4 \$157, 1574, 1574 \$25 \$33.25 \$2.32 \$32 \$4 \$45 \$45 \$2.45 \$45 \$45 \$45 \$45 \$45 \$45 \$45 \$45 \$45 \$	Chefronia 0 59 1/2 1 Caratizatis 1,00 19 50 34/2 33/4 33 Cada Buay 33 828 7/2 7/2 1
الله المحمد والله المحمد والمحمد المحمد المحمد والله المحمد والمحمد وال	Complete: 34 255 113a 111a 112 134 135 13a	Codestams 3 25 47 441 2 Cognes Co 52 2194 29 2014 20 Cognes SO 917 441 2 4214
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Decid Hart 6, 9 4/2, 4, 4, 4, 1 resource was as seen	Colorest 27 2004 46 <sup>1</sup> 4 47 <sup>1</sup> 2 47 Colorest 0.15125 463 26 <sup>1</sup> 2 18 <sup>1</sup> 4 Color Gas 1.28 13 220 422 <sup>1</sup> 2 21 <sup>1</sup> 2 22
		Castalr 0.28 15 4788 27 25 25 25 (arcs4) 6.00 75 5622 19 <sup>1</sup> <sub>2</sub> 18 <sup>5</sup> <sub>2</sub> 18 <sup>5</sup> <sub>2</sub> 1 (arcs4) 10.09 5027472 18 <sup>1</sup> <sub>2</sub> 18 <sup>5</sup> <sub>2</sub> 18 <sup>5</sup> <sub>2</sub> 1 (arcs4) 10.09 5027472 18 <sup>1</sup> <sub>2</sub> 18 <sup>5</sup> <sub>2</sub> 35 <sup>1</sup> 2
łay,		Computation 75 322 27 4 28 7 28 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1
	Have your FT hand delivered in	Constitute 27 796 5 6 8 Curullium 110 230 67 65 6 Cutullium 27 1307 187 187 187 187 2 18
nds of like		Cappele 93 307 11 <sup>3</sup> g 10 <sup>7</sup> g 1 Cappele 93 307 11 <sup>3</sup> g 10 <sup>7</sup> g 1 Capte Cp 33 1037 103 <sup>3</sup> g 1, 10810
ht		Country Cp. 27 2849 185 181 181 181 181 181 181 181 181 181
	The second secon	Communities 62 SSI 6½ 6½ 6½ 6 Communities 35 6544 38 <sup>1</sup> 2 27 <sup>1</sup> 4 27 Sylonym 4 0567 8 <sup>1</sup> 2 8 <sup>1</sup> 2 1
chance	Cain the edge over your competitors by having the Financial Times delivered to your home or office every work or live in the business centres of working day. Hand delivery services are available for all subscribers who work or live in the business centres of working day. Hand delivery services are available for all subscribers who work or live in the business centres of working day. Hand delivery services are available for all subscribers who work or live in the business centres of	- D -
	Working day. Hand delivery services are available for all subscribes who was also made. Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Ferney Voltaire, Grenoble, Lyon, Marsellie, Metz, Monaco, Nancy, Nice, Alic en Provence, Bordeaux, Cannes, Marsellie, Metz, Monaco, Nancy, Nice, Alic et al. (1) 42 97 06 23 for more information.	1850 Cm 185840 324 307 3 Dart Grom 0.15 8 2 8574 9374 9 Oministr. 20 193 5 44 4
	Financial Times. World Business Newspaper.	December 16 1647 244 25% 2 Desphisip 1.06 13 456 264, 28 3 Deb Staps xit 20 8 46 5% 3% 3% Debug 6a 0.00 30 259 66% 68% 68%

Nucle St. E with page tage last their State	THE DAY NAME AND ADDRESS OF THE PARTY.	THE THE SHAPE SHAP	PV Sig Shark Shy E 180s Majo Laur Laut Clony
AGS Indo 0.20 2 462 23 2 21 14 0msety   ACC Curp 0.12 23 846 12512 2513 2512 +1 0ep fily   Accidin E 12 4553 1114 1014 1015 -1 0ep fily	0.20 42 40 10 <sup>3</sup> s 10 10 <sup>3</sup> s + <sup>3</sup> s	- K - KSanton 495 91548 11 <sup>1</sup> 4 10 <sup>7</sup> 4 10 <sup>7</sup> 8 + <sup>3</sup> 8	- F2 - Rainbow 18 634 23 <sup>1</sup> 3 21 <sup>7</sup> 6 22 -1
Action Cp 42 601 27%, 2672 27 -58 Digital Adapted 28040254559 4972 50%, +1% Digital	17 2473 25 25% 25 +%	Kannan Cp 0.44 11 42 10 <sup>1</sup> g 10 <sup>1</sup> g 10 <sup>1</sup> g May Sw 0.80 16 822 23 <sup>1</sup> g 28 29 <sup>1</sup> g +1 <sup>1</sup> g Khuball 0.92 14 249 25 <sup>1</sup> g 28 <sup>3</sup> g 29 12	Railys 0 991 2 134 134 32 Reymong 11 334 21 2012 2012 RCSB Fig. 0.46 10 755 223a 2274 2314
ADC Tells 40 4580 39 <sup>1</sup> 2 38 38 -1 Dig Son Analogium 42 715 13 12 12 <sup>7</sup> g Dig Son AdhADR 0.16 11 42 24 <sup>1</sup> g 24 24 <sup>1</sup> g +2 <sup>1</sup> 2 Dignes (	17 1237 124 125 124 +12	10.A least 1525307 34 <sup>1</sup> 2 25 <sup>1</sup> 4 30 <sup>1</sup> 4 4 <sup>1</sup> 2 KOS A 0 60 12 12 30 <sup>2</sup> 4 32 Korner No. 1412511 12 30 <sup>2</sup> 4 30 <sup>2</sup> 4 - 4	Report Files 6 4975 205 1934 1934 - 1 Records 14 362 1734 1744 1758 Replaces D 842 112 112 112 134 14
Address Sps. 0229 2815401 367g 367g 367g -7g   Disce Ye	1 625 9 86 4 37 <sub>6</sub> 37 <sub>6</sub> -1 <sub>6</sub> at 225 17110 12 14 14	Nacion 5 7 8178 251 <sub>2</sub> 221 <sub>4</sub> 23 -17 <sub>6</sub>	Reschild 21 284 1944 1858 1944 +12 Rescond 23 480 812 844 87 -14
		-L- lahons 072 % 21 142 14 14 +4	Restan: 0.88 55 1305 57 <sup>2</sup> 2 56 <sup>2</sup> 6 57 -1 <sup>1</sup> 2 River Pat 0.40 11 51 128 <sup>3</sup> 4 27 <sup>3</sup> 2 27 <sup>2</sup> 6 + <sup>3</sup> 6 RossiveEugr 846 12 <sup>3</sup> 2 11 <sup>2</sup> 6 12 <sup>3</sup> 4 - <sup>3</sup> 4
AirCopy 0.29 14 7/90 2212 22 22 Draws 20 According 1.63 5 234 555 257 565, -1, Itany 20		Land Fern 0.18 3 57 14% 14 14% +% Land Fern 0.18 3 57 14% 14 14 14% +% Land Rich 104555 57% 14% 4512 -612 Land Rich 1050 14 406 25% 36% 36%	Finding 0.12 8 126 6 5 5 5 5 5 6 6 6 6 6 6 6 6 6 6 6 6 6
Man Day 0.52 12 12 41 4 46 4 41 4 05 Band Man Pi 12 2702 17 12 18 18 18 -14 Band	201 1,00 14 152 25 2514 2512 Ja 6.46 16 1055 2214, 22 2212	Lance loc x 0.96 24 459 18 174 1713 +38 Lance loc x 0.96 24 459 18 174 1713 +38 Lance loc x 0.96 20 459 20 459 20 Lance loc x 0.96 20 459 20 459 20 Lance loc x 0.96 20 459 20 45	Rosechiland 27 6367 037 <sup>1</sup> 2 35 36 <sup>3</sup> 4 +1 <sup>3</sup> 8 RPM No. 0.48 17 2074 15 <sup>3</sup> 2 15 15 <sup>3</sup> 4 +1 <sup>3</sup> 8 Reso Prob 11 842 7 6 <sup>2</sup> 8 61 <sup>3</sup> 8 1 <sup>3</sup> 8
Add Cap 1 16 15 111 18 17 <sup>2</sup> g 17 <sup>2</sup> g - <sup>3</sup> g Dynamic Add Cap 151 12 332 13 <sup>2</sup> g 13 <sup>3</sup> 2 13 <sup>3</sup> 2 Alastic C 632 1 2760 63 <sup>2</sup> g 3 <sup>2</sup> g 3 <sup>2</sup> g 4 <sup>2</sup> g Alastoc 632 1 2760 63 <sup>2</sup> g 3 <sup>2</sup> g 3 <sup>2</sup> g 4 <sup>2</sup> g	20 13-2 21-4 T1-2	Lasersce 12 144 24 212 212 415 415 Lasersce 17 5469 3314 3075 3175 -112 Lasersce 17 422 14 15 2514 2515 2515 -2	inferiting 11 per 1 0 of 70
Alia Sold 0.05 22 8141 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3 3		1/1/Cp 0.16 1 9 4 3 4 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	- S -  Salace 1.06 11 4358 36 <sup>1</sup> c 35 <sup>5</sup> c 36 <sup>1</sup> c 4 <sup>1</sup> c 100 438 <sup>1</sup> c 38 <sup>1</sup> c 38 <sup>1</sup> c 38 <sup>1</sup> c
Am Manng 34 1752 225g 2112 2212 +1g 80 Tel Am Salhan 0,32475 423 8 43g 41g 41g 6gohan Am Frings 25 1190 171g 181g 181g -1g Sacks2	10 15 2215157 12514 2514 2514 -12 10 2052 65 112 155 114	Linguage 23 2100 15% 15% 15% 15% 15% 15% 15% 15% 15% 15%	Sanderson x0.20 13 87 11 10% 11 1% Schimbyr
Amenta 0.64 17 1610 27 <sup>1</sup> 2 27 27 <sup>2</sup> 3 + 5 Becind Amenta 236 8 107 68 07 68 + 5 Excent	29 6563 25 <sup>2</sup> 24 <sup>1</sup> 4 25 <sup>1</sup> 4 - <sup>3</sup> 8	LinestTet x 0.16 3210109 49 4 46 4 47 4 - 14 LinestTet x 0.16 3210109 49 4 46 4 47 4 - 14 Liquillox 0.44 17 10 33 4 32 33 4	Scion 6 1907 512 8 516 -16 Scions Cp 0.52353 1167 1474 1374 1474 -17 Score Brd 14 207 574 5 574 +78
Amiliar 10.4525 9 <sup>1</sup> 6 9 9 10.452   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1   Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1    Amiliar 13.2254 27 <sup>1</sup> 9 27 <sup>1</sup> 9 1    Amiliar 13.2254 27 <sup>1</sup> 9 27	14 336 11 <sup>1</sup> g 18 <sup>1</sup> g 11 <sup>1</sup> g 209 0 2362 2 <sup>1</sup> 2 2 <sup>2</sup> 2 2 <sup>1</sup> 3 - <sup>1</sup> 6	Lorent Sp. 0.10 28 2781 27 <sup>1</sup> 2 27 27 <sup>2</sup> 4 44 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Seafled 1.20 30 7100 34 <sup>1</sup> 2 34 <sup>1</sup> 2 34 <sup>1</sup> 2 -1 <sup>1</sup> 4 SEI Gp 0.20 22 383 22 <sup>1</sup> 2 22 22 <sup>1</sup> 2 +14 Selbeia 6 0.36 7 251 2 <sup>1</sup> 5 2 <sup>1</sup> 4 2 <sup>1</sup> 5 +15
Annatolic 0.16 22 16 193e 1832 1838 3 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	11 3 1월 1월 1월 15 184435 15 4월 4월 4월	LTX Cp 16 7286 8½ 8½ 8½ 6½ -½ LMAN 0.62 27 73 145½ 45¼ 45¼ +½	Spincing 1.12 11 176 38 371 <sub>2</sub> 371 <sub>2</sub> -1 <sub>2</sub> Sequent 11 5846 117 <sub>4</sub> 111 <sub>2</sub> 111 <sub>4</sub> <sup>2</sup> Sequent 12 1389 51 <sub>4</sub> 47 <sub>6</sub> 5 +1 <sub>4</sub>
Anacontes 1.00 12 39 12 11-9 11-99 Fricans Andrew Cp 25 4221 48 <sup>3</sup> 0 46 <sup>1</sup> 2 47 <sup>1</sup> 2 -12 Fricans Andrew An 40 55 15 <sup>1</sup> 0 14 <sup>1</sup> 2 14 <sup>7</sup> 8 -14 Fibrary	8 16 252536 21 20 2 20 3 4 4 4 4 15 15 2 15 6 10 7 2 10 10 10 10 10 10 10 10 10 10 10 10 10	- 196 - MCI Con 0.65 4734414 2974 25 29	Sov Tack 36 419 5 5% 5% Soveneen 0,22 10 10 18% 18% 18% +7 Shriffed 0,84 33 2873 55% 55% 54% -7
Appen 59 7034 76 2/36 1846 1842 1842 164 APP 80 103 372 71 71 716 41 Appld list 192598 44.43 88.90 362 41	24 1340 137 <sub>8</sub> 137 <sub>8</sub> 137 <sub>8</sub> 175 178 30 <sup>1</sup> 2 28 <sup>1</sup> 2 287 <sub>8</sub> -5 <sub>8</sub>	MS Carts 17 58 17% 16% 17% + % Mac NB 0.60 7 67 13% 13% 13% +% Madge 52 2833 43% 41% 43% +%	Successed 12 2953 1412 1314 1412 +14 Successor P 50 1946 t1512 1473 1512 +12 Serra Do 29 2938 2612 2414 25 1114
Amer Dr 920 23 336 2214 2114 224 +1 Except	0.12 19 447 251g 241g 241g -16	Magna Sep 0.88 12 317 23 4 23 4 23 4 23 9 4 Mail Box 16 258 12 9 12 9 12 8 4 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6 6	Signal 0.36 21 3152 253 2 5434 5534 +12 Signal 2 1415 81 77 814 Siliculus 0.05 10 838 2014 2014 2014 2016 +1
Ancico 0.5k 13 1451 10 <sup>3</sup> 4 10 <sup>3</sup> 2 10 <sup>3</sup> 6 4 <sup>3</sup> 8 Angonaut x 1.52 14 817 34 <sup>3</sup> 4 32 33 <sup>3</sup> 2 4 <sup>3</sup> 3 Antibathyl 0.04 32 1038 5 <sup>3</sup> 6 5 <sup>3</sup> 2 5 <sup>3</sup> 2 4		Marical Cp 15 139 7712 75 7712 +212 Marical Cp 15 139 7712 75 7712 +212 Marical Cp 156 115 512 9 612 +58	SBenVSp 1517847 3036 2732 2835 -2 Surpasor 0.40 11 102 339 339 349 →19 SmithEnvT 10 33 34, 332 352
Armort 9 0.64 18 77 16 15% 15% 4-6 Armold 10 0.64 11 226 14% 14% 14% 14% 15 Armold 5 2270 7% 6% 7 142 Feb Cp.	0.24 14 405 e16 84 97 +112	MarshSentA 0.44 11	Snimid 28 512 2745 2844 2844 -44 Snimmer 2 745 374 374 374 -44 Snument 0.88 11 1589 2812 2814 2612
AST Parcit 1 1443 814 734 734 35 PSP bell Allicaton 2 86 1014 934 1014 434 PRintles	290 1550 291 <sub>8</sub> 281 <sub>2</sub> 29 +3 <sub>8</sub> 6 1,04 15 432 471 <sub>4</sub> 461 <sub>2</sub> 461 <sub>2</sub> -1 <sub>4</sub>	Michimiet 51 5912 40% 38% 38% +1% McGrath R 0.49 12 4 19 18 19 McCorrelo 0.66 34 8984 22% 22% 22% 2	Spingel A z 0.20 25 405 876 834 876 +14 Spygiese 144 3098 3814 3414 35 -2
As SEAV 0.34 13 6452 21 10 20 16 21 4 16 FBy DIF Asmel 252527 32 12 36 50 16 42 17 Pagle A AuroSys 40 3328 4 16 4 16 − 28 Filoset	0.24 4 176 11 <sup>1</sup> 5 10 <sup>2</sup> 5 10 <sup>2</sup> 5 49 1043 50 <sup>1</sup> 2 50 50 <sup>2</sup> 5 + <sup>2</sup> 5	Medicarino   0.16 47   8   11 \( \frac{7}{6} \) 11 \( \frac{7}{6} \) 14 \( \frac{7}{6} \) 1	St. Judehld 0.40 35 5784 44% 49 43% 16 St. Paulite x 0.40 13 139 34% 24% 24% 24% 14 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
Audat 0.34 2210210 34% 30% 30% 30% 43% Hept Am Audate 15 39 34 3 2 3 2 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8 8	y 1.12 15 736 36 <sup>1</sup> 4 36 36 <sup>1</sup> 2 - <sup>1</sup> 4 1 1.65 12 302 67 80 <sup>1</sup> 4 61 + <sup>1</sup> 2	Mener8   1.24 17 5480 15 15 14 14 14 14 15 -2 15     Mancang	Staples
Avendule 0.92 810036 16 <sup>2</sup> s, 15 <sup>2</sup> s 16 - <sup>5</sup> g Proplet Patronii Proposin		Marking   1.48   18   1224   1924   4924   4924   4924   4924   4924   3 - 4   4224   3 - 4   4   4   4   4   4   4   4   4   4	Stat Regis 0.76 12 804 21% 20% 21 +44   Stat Tec 0.08 18 148 11% 114 11% 11% +44   State USA 0.20 2 151 448 378 449 +49
- B -   Phen   P		Herrotis A 0.16 15 627 1414 14 144 14 HPS Cm 14 9207 651a 5614 6612 1212 HRChmal Fx 0.20 12 93 1618 1614 1614	Statel 7 835 1672 1674 1674 -74 BrewbrCl 1.10130 51812574 2474 2474 -74 StruckBy 1081184213178 30 3074 +78
Baller  B 0.32 8 31 164 164 164   Proof.6	at 1.00 16 416 u62 60 50 <sup>4</sup> 2 + <sup>4</sup> 2	Microsop 506 2827 10 <sup>1</sup> e 9 <sup>7</sup> e 10 <sup>1</sup> e + <sup>1</sup> e Sécution 34 2476 25 <sup>1</sup> e 24 <sup>1</sup> e 25 <sup>1</sup> e + <sup>1</sup> e Microsop 66 601 13 <sup>5</sup> e 15 <sup>1</sup> e 12 <sup>1</sup> e - <sup>1</sup> e	Bityler   0.08 31 1724 674 564 6642 +44   Solimon
Backland	5 199 5% 3½ 5% 6.46 10 195 22% 21% 21% -½	Microbia 0 2227 3½ 42% 2½ ¾ Microb: 5540979 97½ 93.49 95% +¾ Microbi 17 147 22½ 20½ 22 +1½	Stammit St. 0.84 15 1544 032 <sup>3</sup> 2 32 32 <sup>3</sup> 4   Sametit Tr 108 8941 34 <sup>3</sup> 4 33 <sup>3</sup> 4 33 <sup>3</sup> 4 + <sup>3</sup> 4   Sun Sport 8 10 2 <sup>7</sup> 6 2 <sup>7</sup> 6 2 <sup>7</sup> 6
Beanag F 0.00 14 342 2514 2414 2476 +18 Feber H	B 0.64 15 386 35 <sup>1</sup> 2 35 35 <sup>1</sup> 4 - <sup>1</sup> 4 n 0.66 13 334 22 <sup>1</sup> 4 21 <sup>1</sup> 4 22 <sup>1</sup> 9 + <sup>1</sup> 9	Microstenia 830 77 , 12 14 13 <sup>1</sup> 4 14 + <sup>1</sup> 4 Micros 92 152 153 32 <sup>1</sup> 8 32 <sup>7</sup> 8 + <sup>1</sup> 8 Micros 721 39 38 <sup>1</sup> 2 38 <sup>1</sup> 4 <sup>1</sup> 8	Suntific 2171202 46 <sup>1</sup> 2 46 <sup>1</sup> 2 47 <sup>1</sup> 2 -2 <sup>1</sup> 4 Suntin Rs 265 162 137, 12 <sup>1</sup> 2 12 <sup>1</sup> 4 -1 <sup>0</sup> 6 Swift Tra 19 413 18 <sup>1</sup> 2 17 <sup>1</sup> 4 18
Beptanis 2.40 13 900 98½ 97½ 97% →16 SEAno 05 891 13½ 13 13 ½ Beauticos 8.42 12 219 9½ 8½ 8½ 5½	AUT 2 107 1 32 32 32	Mandach   0.10 25 249 20 19 <sup>2</sup> 4 20 + <sup>2</sup> 4   MobileTel   25 9452 19 <sup>2</sup> 4 18 <sup>2</sup> 5 19 <sup>2</sup> 6 + <sup>2</sup> 8   Modern Co x0.20 27   90 11 <sup>2</sup> 2 11 <sup>2</sup> 6 11 <sup>2</sup> 6   3	Systems Inc. 124.7809 34 <sup>1</sup> 4 33 <sup>1</sup> 4 33 <sup>1</sup> 2 32. Systems 2017034 14 <sup>1</sup> 4 13 <sup>1</sup> 8 13 <sup>2</sup> 6 - <sup>1</sup> 2 Symptoy 0.32 8 534 17 <sup>1</sup> 4 16 <sup>1</sup> 2 17 <sup>1</sup> 4 + <sup>3</sup> 6
British 46 101 2 014 15 4 1 SHAPP 500 10 10 10 10 10 10 10 10 10 10 10 10 1		Moline MC 0.80 11 575 24 <sup>1</sup> 2 22 <sup>1</sup> 2 24 <sup>1</sup> 2 +1 Moline C 0.08 21 1974 30 <sup>1</sup> 4 29 <sup>1</sup> 4 30 <sup>1</sup> 4 Moline inc 0.06 22 1106 31 <sup>1</sup> 4 30 <sup>1</sup> 2 20 <sup>1</sup> 4	Synatic 236 8 29 28 <sup>1</sup> 4, 25 <sup>1</sup> 4, + <sup>1</sup> 6 Systricut: 0.10 29 4177 24 <sup>1</sup> 2 23 <sup>1</sup> 2 24 <sup>1</sup> 8 + <sup>1</sup> 8 Systricut: 0.10 29 4177 24 <sup>1</sup> 2 23 <sup>1</sup> 2 24 <sup>1</sup> 8 + <sup>1</sup> 8 Systematics 123 222 18 <sup>1</sup> 4 18 18 <sup>1</sup> 2
Brit Gry 0,12 12 2 15%; 15%; 15%; 15%; 15%; 15%; 15%; 15%;	2 156 2 2 2 2 10 1 1 1 1 1 1 1	Moscam   0.04 78 213 8 8 8 2 8 4 4 8 Moscam   0.04 78 213 8 8 2 8 4 2 8 4 4 4 4 1	Bystamed 24 444 5 <sup>3</sup> m 4 <sup>7m</sup> 4 <sup>7m</sup> →c
Strateg W 0.08 12 5 184g 184g 184g +4g Sent Co	6.16 8 90 7% 7% 7% 4% d 0.42 18 30 22% 22 22%	"	- T - T-Cel Sc 4 808 3 <sup>1</sup> 9 3 3 - <sup>1</sup> 4
3MC Soller 31 4301 53 <sup>1</sup> 4 52 <sup>3</sup> 4 52 <sup>3</sup> 4 3 <sup>2</sup> Bostons S 1.46 12 5422 41 <sup>7</sup> 6 41 <sup>1</sup> 4 41 <sup>7</sup> 6 4 <sup>7</sup> 6 Gentler	4 1134 54 54 54 Cp 4.00 22 396 25 24% 24% -24	## MAC Re 0.20 9 13 3414 35 <sup>2</sup> 2 34 <sup>1</sup> 4 Nash Pach 0.72 10 126 17 <sup>1</sup> 2 17 17 <sup>1</sup> 4	Transm Fr 0.84 30 1806 52 <sup>1</sup> s; 51 61 -1 1BC Cp 10 1225 7 <sup>1</sup> 2 7 7 <sup>2</sup> 6 TCA Cable 0.55 24 944 31 <sup>2</sup> s 30 <sup>1</sup> s 30 <sup>1</sup> s - <sup>3</sup> s
Boole & B 19 100 23\4 22\2 23 +\2 Genzym Berhard 1517/450 20\4 19\2 19\3 +\4 Geolek	क बाइसाह १२% गार्थ गार्थ -ा	Next Compt 0.36 20 9 1934 1932 1942 34, Ntrs Sun 0.20 36 276 3134 3032 3034 -1 Atonigador 8.00 15 183 1832 1534 1838 +38	TCI SpA 10017776 21 <sup>1</sup> 2 20 <sup>5</sup> 2 21 <sup>1</sup> 8 -16 TuchData = 11 14 <sup>1</sup> 4 14 <sup>1</sup> 2 - <sup>1</sup> 2 Tecument 1.00 6 3 52 52 52
	al. 0.12 10 3037 15 <sup>1</sup> 0 14 <sup>7</sup> 0 15 1 0.00 3 125 13 <sup>7</sup> 0 13 13 <sup>-1</sup> 0	NEC   0.45 45 163 514 604 514 +1   Nelscor   509/2397 514 60 507 +7   Neoster   57855 47 37 47 +4	Takaiec 18 220 14 15 13 13 12 -4 15 15 15 15 15 15 15 15 15 15 15 15 15
858 Snop 0.00 11 18 2314 2214 2214 +12 Bood Gr 87 Snipsg 0.40 42 75 3 3 8 Goulder	to 0.80 26 370 224 224 224 +4	Netscape   19512 723, 67 67 4-42   Netscape   19512 723, 67 67 4-42   Netscape   35 2851 412 36 36 -13,   Netscape   38 1742 29 274 277 4 4   Netscape   1 117 25 26 26 26 -6	Telebon Cp (0.01 24 1603 20 <sup>1</sup> 2 18 <sup>1</sup> 4 16 <sup>1</sup> 4 -74 Telebon Cp (0.01 24 1603 20 <sup>1</sup> 2 18 <sup>1</sup> 4 16 <sup>1</sup> 4 -74 Telebon Cp (0.01 24 1603 20 <sup>1</sup> 2 18 <sup>1</sup> 4 16 <sup>1</sup> 5 16 <sup>1</sup> 5 - <sup>1</sup> 8
Backins 7 18 7 8-1 7-1 7-1 Grants Barr Brun 15 1829 20-2 20-2 20-3 41 Grant A	0.30 13 211 28 <sup>1</sup> 4 28 <sup>1</sup> 6 28 <sup>1</sup> 4 - <sup>1</sup> 8 P 0.30 8 52 19 18 <sup>1</sup> 2 18 <sup>1</sup> 2	New large   1 117   2% 2 2 2 2 1 - 7	TipmPhADR 0.10 30 2692 44% 44% 44% 45 Tipme Com 4837152 46% 46% 47% 34 Tib 14 330 7 6% 6%
Bullenfello 9.49 11 346 3514 347 <sub>2</sub> 3574 474 Small Miles	28 42 13½ 13 13¼ -¼ 32 180 14¼ 13¼ 14 -¼	Note Dri 83 7822 8 <sup>1</sup> 4, 8 <sup>1</sup> 2 8 <sup>2</sup> 3, -1 Norteon 864 18 766 54 <sup>1</sup> 2 663 55 -1 1 1000 0.50 19 9687 42 <sup>1</sup> 4 40 41 <sup>2</sup> 5 +2	TJ Int 0.82 S4 324 17 <sup>3</sup> 4 16 <sup>3</sup> 2 16 <sup>3</sup> 2 - <sup>3</sup> 2 Todd-AO 0.06 20 22 6 <sup>3</sup> 6 7 <sup>3</sup> 2 6 <sup>3</sup> 6 Toles Med 13 516 9 <sup>3</sup> 8 6 <sup>3</sup> 6 9 <sup>3</sup> 8
- C - Quint's Citac 8 771 36% 35 35% +%		Horean i 14 386 25 <sup>1</sup> 2 28 25 <sup>1</sup> 8 1 <sup>1</sup> 8 H Ser Un 133 14 8 8 8 Nortentet 1.04 14 1020 25 <sup>1</sup> 4 25 <sup>1</sup> 2 25 <sup>1</sup> 2 1 <sup>4</sup> 4	Tunnisher BAO 22 44 65 <sup>1</sup> / <sub>2</sub> 65 <sup>1</sup> / <sub>2</sub> 65 <sup>1</sup> / <sub>2</sub> +2 Tunnismen 45 374 14 <sup>1</sup> / <sub>5</sub> 14 <sup>1</sup> / <sub>6</sub> 14 <sup>1</sup> / <sub>6</sub> -1/ <sub>2</sub> Toppe Co 6.26 30 1158 5 <sup>1</sup> / <sub>6</sub> 4 <sup>1</sup> / <sub>6</sub> 5 <sup>1</sup> / <sub>6</sub> +1/ <sub>6</sub>
Casticiange 1.20 17 67 39 <sup>1</sup> 2 39 <sup>1</sup> 4 33 <sup>1</sup> 2 CasticasCond.20 22 49 29 <sup>1</sup> 2 39 29 <sup>1</sup> 4 44 Casta Cp 48 1979 8 <sup>2</sup> 6 8 <sup>2</sup> 6 8 <sup>1</sup> 4 4 <sup>1</sup> 8 Casta 225 5 1820 8 <sup>1</sup> 6 8 <sup>2</sup> 7 8 <sup>2</sup> 8 44 Hindingli	- <b>H</b> -	18 13 13 13 13 14 15 15 15 15 15 15 15 15 15 15 15 15 15	Transiting 2 523 34 24 3 3 Transiting 2 523 34 24 3 3 Transiting 82 714 54 47 5 48
Californ 25 2556 17% 16% 17 -3 Harlwyn	0.76 10 84 30 <sup>1</sup> 2 25 <sup>1</sup> 2 25 <sup>1</sup> 2 80 0.22 15 218 17 <sup>2</sup> 4 17 <sup>1</sup> 4 17 <sup>2</sup> 4	MPC Lot 14 296 7 <sup>8</sup> 4 7 <sup>8</sup> 9 7 <sup>8</sup> 1 MBC Corp 13 10 2 2 2	Tremitck 1.12 12 167 52 <sup>1</sup> 2 61 <sup>1</sup> 4 51 <sup>1</sup> 4 -1 <sup>1</sup> 2 Tremite 34 1106 18 <sup>1</sup> 5 17 <sup>1</sup> 4 18 <sup>1</sup> 4 -1 <sup>1</sup> 8 Trumiten 14 453 6 <sup>1</sup> 5 4 <sup>2</sup> 5 5 -1 <sup>1</sup> 6
	00 6.16 58 4880 u98 <sup>3</sup> 2 63 85 <sup>3</sup> 6 42 ur 28 5803 51 <sup>3</sup> 6 48 <sup>4</sup> 6 50 <sup>3</sup> 2 <sup>-3</sup> 6	- 0 - OCharleya 9 58 125, 115, 115, -3,	TrustcoBAC 1.10 14 355 21% 21% 21% 21% Teerg Lab 0.20 48 3187 10% 10% 10% 10% 10% TyurkA 0.12 16 2140 24% 24 24 24 -3
Change S. v. 0.10 20 380 20% 20% 20% 30% 4 10 Hebbris Chipmet 14 2386 16% 16% 16% 4 6% 100million 18 61 14% 18% 18% 18% 18% 18% 18% 18% 18% 18% 18		Octos Com 24 2860 2812 2514 2515 -2 Octos A 12 48 914 812 814 +14 Ottos B 127 127 127 -14	- U -
Custocor 21 7803 33 31 4 32 4 4 Halding Cust Fig 1.20 16 380 32 4 22 22 4 1 Halding Cust Spr .13 76 34 2 32 23 33 3 -8 Halding	9 136 912 914 912	Ogletary N 1.20 G S 36 38 38 56 DhioCo 1.52 21 1818 u40 38 36 -\(\frac{1}{2}\) Old Next 1.28 12 1919 40\(\frac{1}{2}\), 40\(\frac{1}2\), 40\(\fr	US Hitter 1.00 1896882 45 <sup>1</sup> a 43 <sup>5</sup> g 48 +1 <sub>1</sub> <sup>2</sup> g linest 15 1987 2 <sup>3</sup> g 2 <sup>3</sup> a 3 <sup>2</sup> a UCHence 1.02 18 227 18 <sup>2</sup> a 17 <sup>2</sup> a 17 <sup>5</sup> g <sup>-1</sup> g
Chapter 1 0.00 42 2310 32 31% 31% 1% Hologic	96 0.15 15 1549 18년 9년 9년 9년 1년 189 1819 48년 48년 47 -1년 20 28년 11 20 28년 28년 28년	Ontenscorp 1.20 11 1781 32 3014 315 +136 One Price 42 106 3 3 3 Oracle 45:35501 5014 4874 4874 -114	Linited St. 0.40 70 47 24 22 23 4 - 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4 4
Chemistr 26 177 2012 7014 2014 A4 Horning	6 0.46 12 342 20 <sup>1</sup> 2 10 <sup>1</sup> 4 20 <sup>1</sup> 2 42 24 40 353 21 20 <sup>2</sup> 6 20 <sup>2</sup> 6 20 0.44 15 3 4 <sup>1</sup> / <sub>2</sub> 4 4 <sup>1</sup> / <sub>2</sub>	Dr. Scotto 85 1288 15 <sup>1</sup> 4 14 <sup>1</sup> 4 15 <sup>1</sup> 6 5 <sup>1</sup> 8 Drivensch 0.00 10 123 12 11 <sup>1</sup> 4 12 5 <sup>1</sup> 8 Drivensch 0.00 10 427 22 <sup>1</sup> 2 21 <sup>1</sup> 4 22 <sup>1</sup> 8	US Bancp 1.12 18 4716 3312 3278 3312 US Emergy 69 2551 1914 18 18 -3 US Servis 3 109 444 475 478 18
Chiese Co 8 5041 113 210 21 22 42 4 Hent AB Chiese Fin 1.36 15 401 64 83 63 4 4 Henting Chiese Co 0.20 33 337 40 40 2 40 2 41 Henco Co		Congornius 0.31215 854 137g 127g 127g 127g 127g 127g 127g 127g 12	US 70t 1.00 9 87 48 47 2 47 2 - 12 UST Carp 1.12 18 1825 15 18 14 3 15 + 14 Usin Med 25 1329 U21 3 20 2 21 3 + 13
Chean 13419590 125g 111g 121g +22 Hadelite Chealge 1939006 25 261g 261g +5g Hyper 9 25 76ch 20 5743 22 32 21g -2g		OmerSA 0.28 18 125 18 <sup>1</sup> € 15 <sup>1</sup> € 15 <sup>1</sup> € 15 <sup>1</sup> € 10 18 <sup>1</sup> € 10 14 <sup>1</sup> € 10 14 <sup>1</sup> € 14 <sup>1</sup> € 10 14 <sup>1</sup> € 14 <sup>1</sup> € 10 18 <sup>1</sup> € 18	Util Tries 0.80 22 85 86 86 86 Util 5 128 214 2 22 -12 Util 5 128 214 2 22 -12 Util 6 12 12 12 12 12 12 12 12 12 12 12 12 12
CaccoSps 5045789 90 87½ 80½ 4½ Cit Sauco 1.12 13 149 52¼ 3½ 31½ 1½ Cacco thir 18 120 2½ 3½ 3½ 4½ Cacco br 182 11 14½ 14½ 14%	23 14 12 <sup>1</sup> 2 12 12 <sup>1</sup> 8		-٧-
Chemoton 0 59 1/s 1 1 1/s 15 kind Chemotonia 1,00 19 50 34/2 33/4 33/4 immones	1 382 14 15 15 38 1211 15 134 145 4	- P - Q - Paccar 1.00 7 645 46 <sup>1</sup> 4 46 <sup>1</sup> 2 46 <sup>1</sup> 4 PacDunkop 8.81 11 134 10 <sup>1</sup> 8 9 <sup>2</sup> 5 10 <sup>1</sup> 6	Vertronat 0.30 14 22 25 <sup>1</sup> 2 25 25 25 12 Vinget Cell 55 1956 21 20 <sup>1</sup> 2 20 <sup>1</sup> 4 Ventritian: 11 3704 19 <sup>1</sup> 2 18 <sup>5</sup> 2 19 <sup>1</sup> 2 + <sup>3</sup> 6
Contections 3 25 47 642 47 +3 Imperi E Corporate Co 52 2194 29 2814 2879 Ind Ing.	2 0.40 15 131 25½ 24¼ 25½ 4¾ 2 23 24 257 27½ 27½ 27½ 3Å	Pacificre 23 310 87 <sup>1</sup> 4, 85 <sup>1</sup> 2, 85 <sup>1</sup> 4, <sup>3</sup> 2 Parametre, 4510714 68 <sup>1</sup> 4, 66 67 <sup>1</sup> 4, <sup>3</sup> 4 Parametre, 0.36 57 4823 657 <sup>1</sup> 2 53 <sup>1</sup> 3, 57 <sup>1</sup> 4 +3 <sup>1</sup> 6, <sup>3</sup> 50, <sup>3</sup> 51, <sup>3</sup> 51	Ventions 29 198 38 <sup>5</sup> 2 38 38 <sup>3</sup> 2 → <sup>1</sup> 2 Vicor 29 7189 14 <sup>3</sup> 2 13 <sup>3</sup> 2 13 <sup>5</sup> 3 → <sup>1</sup> 2 VicorpRet 20 2902 10 <sup>4</sup> 4 10 <sup>4</sup> 2 10 <sup>4</sup> 2 10 <sup>4</sup> 2
Colorest 23 2404 40 <sup>1</sup> 4 47 <sup>1</sup> 2 47 <sup>1</sup> 4 -1 <sup>1</sup> 4 Indicate Colorest 0.15125 463 20 <sup>1</sup> 2 18 <sup>1</sup> 4 20 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 21 <sup>1</sup> 4 13 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 13 226 427 <sup>1</sup> 2 21 <sup>1</sup> 4 14 Indicate Colorest 1.25 14 Indicate Colorest 1.25 14 Indicate Colorest 1.25 Indicate Colore	4925273 31 4 20 3 31 4 14 848 11 53 114 104 105 4	Payco Asr 35 98 8 <sup>1</sup> g 7 <sup>1</sup> k 8 <sup>1</sup> g Pentent 850 45 20 9.88 9.58 9.58 4.88 Pent lity 11 2571 17 16 <sup>1</sup> g 17	Viewlogic 96 632 11 <sup>1</sup> 2 11 <sup>1</sup> 4 11 <sup>1</sup> 4 11 <sup>1</sup> 4 11 <sup>1</sup> 5
Consult 0.26 15 4788 27 25 25\frac{1}{2} -\frac{1}{2} \text{ integrals} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} -\frac{1}{2} \text{ integrals} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} -\frac{1}{2} \text{ integrals} \\ Concret & 6.00 75 5627472 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} \text{ integrals} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} \text{ integrals} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} \text{ integrals} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} \text{ integrals} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} \text{ integrals} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} \text{ integrals} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} 16\frac{1}{2} \\ Concret & 6.00 75 5622 15\frac{1}{2} 16\frac{1}{2} 16\fr	74 449 942 2 4 42 4 +1 4	Penn Virg 1.80 11 48 34 <sup>1</sup> 4 33 <sup>1</sup> 2 34 <sup>1</sup> 4 1 <sup>1</sup> 9 Pennair 0.80 14 855 155 <sup>1</sup> 4 55 <sup>1</sup> 4 5 <sup>1</sup> 9 1 <sup>1</sup> 8 Pennach 1 8 1145 1 <sup>1</sup> 8 1 <sup>1</sup> 8 1 <sup>2</sup> 7 1 <sup>2</sup> 8 1 <sup>2</sup> 8 Pennash 1 820 19 45 20 <sup>1</sup> 4 20 20 20 - <sup>2</sup> 8	
Commerciation 0.72 12 515 3614 3614 3614 3614 12 intertelli Commerciatio 75 3625 674 774 674 - 34 intertelli	19 57 11 12 12	Peoples H x 0.54 10 207 21 <sup>1</sup> / <sub>2</sub> 20 <sup>7</sup> / <sub>3</sub> 21 Peritipo 23 3005 13 <sup>1</sup> / <sub>2</sub> 12 <sup>1</sup> / <sub>2</sub> 12 <sup>1</sup> / <sub>4</sub> 4 <sup>1</sup> / <sub>4</sub> Preburatio 8 356 8 5 <sup>1</sup> / <sub>4</sub> 5 <sup>1</sup> / <sub>4</sub> - <sup>1</sup> / <sub>4</sub>	Meng Lab 6 3005 19 187g 187g +1g Watner En 0.12 14 414 211g 21 21 -1g
December   24 254 2412 254   26	28 522 144 135 135 -	Petrollic 1.12 49 7 274 2512 274 4 79 Phoenich 22 864 134 134 134 134 144 Phoenich 21 4212 184 174 174	Warmfech 17 552 4½ 3½ 4 WeitsindA 0,28 10 13 17 <sup>2</sup> 5 17 <sup>1</sup> 4 17 <sup>1</sup> 4 <sup>1</sup> 4 WeitsindA 0,22 27 1614 uQ3 22 <sup>1</sup> 2 22 <sup>2</sup> 5 + <sup>2</sup> 5
Cannols 93 367 1174 1872 1872 inight	12 9009 16% 194 194 +4 5 1176 72 5% 6.90 -/8	Piccardia 8.48 19 10 8 9 9 -1 <sub>8</sub> Pictardia 88 1021 41 <sup>1</sup> 2 38 <sup>3</sup> 4 40 <sup>3</sup> 6 -34 Pinterton 19 119 19 <sup>5</sup> 6 19 19 <sup>5</sup> 6 -2 <sup>1</sup> 6	WD-40 2.45 17 205 W7 45 <sup>1</sup> 2 47 +54 Weitek 4 566 2 <sup>5</sup> 8 2 <sup>4</sup> 4 2 <sup>3</sup> 8 -19 Weitek 9 218 44 <sup>5</sup> 8 44 <sup>1</sup> 4 44 <sup>1</sup> 4 -12
Countin Cp 33 1037 108 a 108100 à 100100 à 10010	22 2205 23 22 22 22 25 -76 OA 15 32 22 21 21 21 3 +16	Pigneed 0 25 1163 430 <sup>1</sup> 2 30 30 <sup>3</sup> 5 <sup>1</sup> 9 Pigneed 0 25 2 55 55 55 -1 Pigneed 0.12 13 1993 14 <sup>1</sup> 4 13 <sup>7</sup> 5 14 <sup>1</sup> 2	WestPub 31169 10 <sup>1</sup> 2 10 <sup>1</sup> 8 10 <sup>1</sup> 4 - <sup>1</sup> 6 WishBiA 3266 19 <sup>1</sup> 2 19 <sup>1</sup> 4 19 <sup>1</sup> 4 - <sup>3</sup> 8 West Seal 79 5 7 <sup>1</sup> 6 7 <sup>1</sup> 6
Constitute 46 3213 9 <sup>1</sup> 4 9 <sup>5</sup> 1 8 <sup>3</sup> 4 <sup>3</sup> 4 innega Generalizat 62 530 6 <sup>1</sup> 2 6 <sup>1</sup> 4 6 <sup>3</sup> 4 <sup>3</sup> 5 isonadi	Cp 3446360 147 <sub>1</sub> 137 <sub>2</sub> 147 <sub>2</sub> +1 k 14 3 157 <sub>3</sub> 157 <sub>2</sub> 167 <sub>3</sub>	Prosest 8-15 2124 2234, 2134 21.65 -1.86 Prosest 8-55 8-54 2124 21.65 -1.86 Prosest 8-55 8-54 2124 2438 1432 438 Prosest 15-59 853 834 834 34	Wilmin 120 5 2385 54 <sup>3</sup> 4 53 <sup>7</sup> 8 54 <sup>1</sup> 4 WinsSonoma 46 1060 15 <sup>5</sup> 8 14 <sup>7</sup> 8 15 <sup>1</sup> 2 + <sup>1</sup> 8
Option 4 6567 812 816 814 56	do 1.20131 8236 <sup>1</sup> 2 238238 <sup>1</sup> 2 + <sup>1</sup> 2	PresCits 21550 12 012 12 12 12 12 12 12 12 12 12 12 12 12 1	Workshan L 0,28 10 123 93; 93; 93; 93; 93; 94; 10 123 93; 93; 93; 93; 93; 93; 93; 94; 94; 94; 94; 94; 94; 94; 94; 94; 94
- D - 1880 00 30 31 2 -13 41 Sm		Price Pet 19 5735 1014 1012 1814 1814 -1	Wyczan-Ganti.40 34 1193 u17¾, 16¾, 16⅓, 16⅓, 16%
Det Grom 8.15 8 2 1574, 9374, 9374, 124, 124, 124, 124, 124, 124, 124, 12	25 11 19 8½ 5½ 6½ 0.03 16 1523 29½ 28½ 29 +½	Principola 13 411 204, 183, 184, -1 Prod Dps 0.28 42 85 33%; 32%; 32%, 3% Pyris 2338011 22%; 20%; 22%; 45%; OLT Proto 13 124 9%; 9%; 9%; 4%;	- X - Y - Z - 3819238 447, 423, 433, 113,
Description 1.08 13 456 29%, 28 29%, +%, Jacob N	16 184 12 <sup>1</sup> 4 12 12 <sup>1</sup> 8 -8 406 0.12 52 3894 044 <sup>1</sup> 6 42 43 <sup>1</sup> 6 +1	ClassicarChair 0.68 12 28 14 4 13 13 4 -1 2 Classicomes 83 9429 49 47 2 47 4 -1 2	Xircom 2 644 10 <sup>3</sup> g 10 10 <sup>-2</sup> g Xoma Gorp 3 3841 5 <sup>2</sup> g 4 <sup>3</sup> g 4 <sup>3</sup> g <sup>-2</sup> g
I DESCRIPTION OF THE PARTY OF T	I 12日 15 526 20社 30 20社 北	Depail Food   U.20 16 129   99 911   915   7	Yallow   0.94 11 841 123g 123g 123g 123g -3g
Datchaupt 10.44 6 10 22 23 23 +1 <sub>2</sub> Jane U <sub>1</sub> Dat Chem 1227073 53 <sup>2</sup> 4 51 <sup>2</sup> 4 52 <sup>2</sup> 6 - <sup>2</sup> 6 Jane U <sub>1</sub>	2 129 15 596 324, 32 324, 44 0 032 16 3263 184, 1742 1742 45, 0 16 11 294 114, 114, 114, 44,	Oceni Food         020         16         122         22         21½         21½         21½         23½           Clustefulus         17         6022         18½         18½         18½         3½         3½           Clustefulus         18         979         27½         27         27         22         3½	York Risch 22 761 67 <sub>8</sub> 63 <sub>8</sub> 63 <sub>6</sub> -3 <sub>8</sub> ZameUnen 1.54 13 322 761 <sub>8</sub> 75 761 <sub>8</sub> +1 <sub>8</sub>

Y

Financial Times. World Business Newspaper.

# as tech stocks weaken

#### Wall Street

After several days of strong gains, US shares were mostly flat in early trading yesterday as technology companies gave up some of the increases made so far this month, writes Lisa Bransten in New York

At 1 pm, the Dow Jones Industrial Average was off 1.08 at 5.458.53. The Standard & Poor's 500 was 0.47 lower at 645.86 but the American Stock Exchange composite rose 0.84 to 560.90. NYSE volume was heavy at 265m shares.

The Nasdaq composite, which has a 40 per cent weighting in technology companies, was the weakest of the major indices, falling 7.32 to 1,081.76. The Pacific stock exchange technology index was off 1.3

Semiconductor stocks, which had led the charge higher, fell sharply. Applied Materials, which had climbed \$7% since the end of January, shed \$3% to \$40%, and Lam Research, up nearly \$20 in the past three weeks, fell \$4% to \$47%.

Intel, the largest semiconductor maker in the world and the second largest company on the Nasdag lost \$1% at \$75%

week highs and relinquished \$1% at \$113.

However, America Online managed to continue its upward pace after reporting fourth-quarter earnings of 10 cents a share, in line with analysts' estimates. Shares in the provider of online services rose \$% to \$48%.

There was little reaction in the market to news that the US trade deficit had fallen to \$7.1bn in November from \$8.2bn in October. Analysts were expecting the deficit to have risen to \$8.4bn.

Those figures were expected to be good for the market, because they indicated that the economy was stronger than many economists had thought with lower imports offering better prospects for corporate earnings in the future.

Mattel, the US toy group, rose \$1% to \$34 after reporting fourth-quarter earnings of 50 cents a share, exactly in line with analysts' estimates. Air Touch, the cellular com-

munications company, edged up \$% to \$31% in spite of posting earnings per share of 2 cents, about half of what analysts had been expecting.

Pyxis jumped \$6% or 43 per cent to \$22½ after agreeing to be acquired by Cardinal Health

Shares in Cardinal Health, a wholesale drug distributor, shed \$1% or 3 per cent to \$57%.

Toronto turned back from a firm opening to trade lower by midday, in line with the late morning weakness on Wall Street and as Comex gold

The TSE 300 composite index was down 9.51 by noon at 5,039.96 in very heavy volume of 71.7m shares. Among gold shares, Barrick Gold fell C\$% to C\$43%.

Moving in the opposite direction, Group Videotron picked up C\$1% to C\$12% as the company said that it was rethinking its UK cable and telephony

#### SOUTH AFRICA

Brisk demand for gold shares and renewed interest in industrial blue chips was seen. The golds index advanced 50 points or 2.7 per cent to 1,917, while the overall index moved up 39 to 6,960 and the industrials index rallied 27 to 8,567. Among individual features, Freegold strengthened R1.75 to R43, Kloof R3.50 to R56 and

# Broad market flattens Thrills and spills as Paris loses ground

There were thrills, and spills, in PARIS. Usinor Sacilor rallied FFr3.45 or 5 per cent to FFr78.75 as CS First Boston initiated coverage of the steel company with a buy recommendation. CSFB believed that the fundamentals were good. "and that the current valuation fully discounts the bad

news of the first half of 1996". Synthelabo was pressured by news that its Eliprodil brain haemorrhage drug was less effective than had been hoped, and the stock lost FFr24 or 7 per cent to FFr329.

Canal Plus retreated FFr47 to FFr953 on reports that CLT. of Luxembourg, was to join with the satellite group led by Mr Robert Murdoch to launch a digital television channel in Germany. There were worries that this would end a commitment by CLT to a similar venture being proposed by Canal

The broad market breached the 2,000 level briefly during the day but, unable to find the momentum to support itself at this level, it retreated steadily during the rest of the session. The CAC-40 index finished 5.18 off at 1,983.29. Turnover amounted to FFr6bn.

James Capel's technical analysts said recently that, having rallied strongly from the 1,720 DM1 to DM29 after a consor-

encounter severe resistance at 2000 which was likely to contain its current bull run.

FRANKFURT built on Tuesday's late gains, turnover ris-ing from DM8.3bn to DM9.7bn as the Dax index closed 4.45 higher at an Ibis-indicated 2.442.43.

There was a lot of activity in and around the chemicals area. Hoechst rose DM7.70 to DM454.50 in spite of another production accident, as a sulphuric acid escape released a toxic cloud above its main

Brokers said that the market was fixed on Hoechst's drive for shareholder value, rather than its relationship with its environment

Altana, which lost its speculative appeal for a while after it sold its Milupa baby food business to Nutricia last August, came back with a DM52 gain to a high of DM945; and Fresenius went for its third big day in succession, the prefs hitting DM179 before ending unchanged at DM166.

On the downside, the pharmaceuticals wholesaler Gehe fell DM12 to DM753 after a "generous" counter-bid for Lloyds Chemists, of the UK: and Bremer Vulkan declined

14.00 15.00 Cose Open 10.30 11.00 12.00 13.00 FT-SE Eurotrack 100 1558\_00 1567\_71 1557\_93 1558\_82 1558\_22 1558\_31 1568\_78 1857\_83 TT-SE Burotrack 200 1668\_30 1668\_47 1668\_79 1667\_48 1686\_35 1665\_33 1668\_05 1663\_79 Feb II Pub S Feb 2 Feb 1 1548.16 1858.34 1551.45 1**662.29** 

bonds.

scheduled DM220m Joan. AMSTERDAM consolidated, helped by a firm bond market

and dollar, and the AEX index finished 2.08 up at 504.81. Philips encountered profittaking after rises in recent days following its tough stance on Grundig, and the shares dipped Fi 1.20 to Fl 67.60. But cyclicals had a good day, with

Akzo, popular at the moment, up Fl 2.30 at Fl 186.20 after Tuesday's Fl 5.10 gain. Fokker stayed at the mercy of speculators, falling to F11 in early trade as the market finally accepted that equity and bond holders would lose out in any rescue deal for the aircraft maker's subsidiaries. It rallied later to Fl 2.80, off

F1 L50 on the day.
The company said after the close that bankruptcy was now the "probable" option for the holding company, since none

tium of banks postponed a of the potential partners had expressed interest in making a bid for the quoted shares and

> ZURICH edged ahead, encouraged by a technical bounce in the bond market, and the SMI index finished 8.9 higher at 3,262.7. Financials were mostly weaker on continued fears of worldwide bond market volatility, while chemicals and pharmaceuticals were mostly higher. Mid-cap stocks continued to

draw attention. Adia, the tem-

porary employment agency,

added SFr5 at SFr235, taking its advance to 15 per cent since the group reported first-quarter results on Janaury 25. Mr Frederick Hasslauer at

Bank Sal Oppenheim, who rec-ommended the stock, noted that confidence was returning after Adia's long period of financial restructuring as investors focused on a 66 per

cent first-quarter profits rise.

MILAN gave up most of its early gains; politics once again intruded, with worries over the apparent lack of progress being made by Mr Antonio Maccanico, the prime minister designate, in putting together a new

The Comit index rose 2.87 to 627.95, while the real-time Mibtel index finished 6 ahead at 9,999, off a high of 10,042.

Montedison was down L12 at L1,028 in spite of a 13.2 per cent increase in 1995 sales, while Ferruzzi picked up L7.30 to L950.90. Olivetti continued on its volatile way, losing L24.8 to 1.940.80

STOCKHOLM had its individual ups and downs as the Affärsvärlden General index rose another 12.3 to 1,800.9.

Banks and insurers were good, S-E-Banken gaining SKrl.80 to SKr51.50 on falling bond yields, and Trygg-Hansa SKr1 at SKr110 after a turnround from loss to profit; but SKF, the bearings group, receded SKr4 to SKr132 in spite of strong profits for 1985, and Ericsson B dipped SKr1.50 to SKr145.50 ahead of today's

Written and edited by William Cochrane, Michael Morgan and

# Caracas rises 4% to record high

Caracas finished at another record high, spurred on by foreign interest in the equity market. The IBC index came to rest 4 per cent up at 2,410.29, its best close since the index started in January

MEXICO CITY was down by more than 1 per cent in midsession trading, largely as a result of further weakness in Telmex. The IPC index surrendered 32.63 to 3,015.46.

On Tuesday, Telmex reported a 22 per cent downturn in its net profits for 1995 compared to the same 1994 period. Analysts said that the results from the telephone utility were at the

SAO PAULO was modestly weaker at midsession as the market awaited a vote later in the session on the government's pension reform. The Bovespa index was off 412.77 at 58,128.

Analysts commented that a reform of the pension system was necessary to save the welfare system from bankruptcy, as well as help the ederal government balance its books. ING Barings said yesterday that it had increased its year-end target for the Bovespa

index to 67,500 from 56,000 ahead of an expected

		-010 p2	020 2			- 1110	164401	on m debes	Tr Terros.		
											_
EN	ER:	alna	MAR	RETE	: IFC	WEE	KLY DAY	TISTABLE	PRICE	INDICES	

			Document termin		Local currency terms			
Market	No. of stocks	Feb. 2 1996	% Change over week	% Change on Dec '95	Feb. 2 1986	% Change over week	% Change on Dec '96	
Latin America	(248)	532.93	+4,4	+15.0				
Argentins	(31)	886.08	+0.€	+10.6	543,487,52	+0.6	+10.6	
Brazil	(68)	373,80	+9.9	+22.4	1,368.03	+9.9	+23.2	
Chille	(43)	740.62	+2.9	-1.1	1,217.03	+2.1	-0.2	
Colombia <sup>1</sup>	(15)	609.13	+8.8	+1.9	1,101.47	45.1	+6.0	
Mexico	(65)	525.41	+0.7	+15.9	1,677,72	+0.4	+11.4	
Peru <sup>e</sup>	(21)	214.58	+5.5	+8.6	300.67	+5.0	+11.1	
Venezuela <sup>a</sup>	(5)	307.59	-3,4	-7.9	2,801.27	+4.0	47.3	
Ania	<del>(</del> 631)	249.40	+2.2	+7,4				
Chine <sup>4</sup>	(25)	59.56	-0.1	+10.1	62.50	-0.1	+10.0	
South Kores	(145)	124.31	+2.4	-1.3	127,71	+1.8	-0.5	
Philippines	(35)	293 92	+1.2	+13.2	371.58	+1.2	+13.0	
Talwan, China	(80)	104.45	-2.9	-7.4	107,76	-2.8	-8.7	
India"	(76)	78.84	+8.5	-1.8	103,03	+10.8	+2.7	
Indon <del>esia</del> s	(44)	125.55	+4.4	+14.5	156.28	+4.3	+14.7	
Melaysia	(123)	293.19	+2.0	+8.1	276.18	+1.9	+8.7	
Pakistari*	(25)	265.25	+0.2	+9.3	413.14	+0.4	49.8	
Sri Lanka <sup>n</sup>	(5)	111.37	+2.7	+7.0	129.61	+2.7	+7.2	
Theiland	(72)	413.46	+2.5	+10,6	415.83	+2.5	+10.6	
Euro/Wild East	(236)	101.03	+1.8	+14.4				
Gravical	(47)	252.01	-0.2	+4.3	418.44	-0.8	+8.1	
Hungary <sup>n</sup>	(8)	139.63	+10.9	+42.1	238.70	+10.7	+47.5	
Jordan	(8)	183.69	+1.0	-0.4	274.42	+1.0	-0.4	
Poland <sup>a</sup>	(22)	566.17	+5.1	+33.5	911.71	+4.9	+37.7	
Portugal	(26)	127.74	+5.1	+10.3	135.21	+4.3	+13.7	
South Africas	(63)	969,35	+0.3	+12.1	218,14	+0.1	+12.3	
Turkey*	(54)	143.43	+9.7	+37.3	4,290.25	+11.4	+43.5	
Zimbabwa*	(5)	290.36	+2.6	+8.6	415.01	+3.1	+10.1	
Composito	(1117)	305.76	+2.8	+10.9				

A shift in emerging markets investment strategy is likely to be more evident this year, writes John Pitt. Lehman Brothers, for instance, suggests that a "selective country approach may prove to be more rewarding [during 1996] than taking large regional bets as the liquidity, reform and earnings growth picture worldwide is extremely varied". The US brokerage notes that Asia is likely to outperform Latin America in the first half of the year on the basis that the former region is influenced mainly by excess liquidity,

of the year on the basis that the former region is influenced mainly by excess liquidity, while the latter is generally driven by economic reforms and sovereign risk. Asia, thereby, will gain the initiative as US interest rates come down further throughout the course of the year, the broker forecasts.

• Foreign & Colonial wonders if Mexico has seen the start of "a virtuous circle". The London-based fund manager observes that the country's equity market was one of the best performers during January, when it rose by 14 per cent in dollar terms. "Although economic growth is expected to have declined by 7 per cent in 1995," says F&C, "there are comforting signs that the economy is beginning to turn around . . . nevertheless, the speed of the recovery will remain subject to investor confidence which could all too easily be shaken by renewed volatility in interest rates and the peso, as well as by unsavoury political developments. If the economy can continue to show progress in these areas, 1996 may see the virtuous circle completed."

Local Currenc Index

150,76 171,01
144,89 144,72
184,59 160,43
127,89 300,96
120,63 156,94
229,41 232,25
143,63 176,74
142,11 147,34
130,49 130,49
340,40 441,59
198,00 229,55
116,97 102,02
423,81 102,02
423,81 102,02
423,81 102,02
43,10 202,03
61,63 63,24
177,13 202,02
351,68 229,58
330,89 344,45
126,59 155,49
234,81 136,59
171,85 192,55
148,40 190,03
177,93 223,81
177,93 223,81
177,93 223,81
177,93 223,81
177,93 223,81
177,93 223,81
177,93 223,81

160.52 154.05 202.20 150.00 155.72 175.99 183.64 210.57 244.03 111.00 187.26 114.16 121.27 150.05 337.83 171.34 150.45 256.14 122.30 140.23 140.21 193.99 224.44 255.01 122.55 140.52 140.08 107.50 157.43 172.30 169.34 182.71 224.82

162.7

202.20 175.99 244.03 114.16 137.65 256.14 140.21 255.01 142.02 172.30 224.82

Local M unu on day

Gross Div. Yleid

3.86 1.49 1.56 2.39 1.70 3.08 3.21 2.44 3.14 3.14 3.17 1.34 1.50 1.80 1.80 1.87 4.17 4.17

0.7 0.3 0.7 0.0 0.1 0.8 0.4 -0.4 0.1 0.4

2.16 3.02 1.81 1.16 2.03 2.18 2.38 2.68 2.07 1.91 2.59

US

191,13 161,92 208,43 161,60 161,55

170.00 181.55
300.01 290.18
185.06 179.59
195.57 179.30
170.24 184.68
448.01 1433.33
257.94 249.49
79.05 76.46
153.30 148.26
524.92 507.72
1311.63 1271.83
274.93 265.92
80.86 78.02
80.86 78.02
80.86 78.02
80.86 78.02
80.86 78.02
80.87 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.88 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.89 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80 78.02
80.80

286.79 230.96 302.81 196.17 275.13 268.11 166.85 161.36 181.73 175.77 254.80 245.81 182.82 176.83 281.91 282.34 183.68 177.68 208.14 198.42 237.60 229.82

191,31

**ASIA PACIFIC** 

High-tech stocks followed Wall Street, foreign buying returned

Emiko Terazono in Tokuo. The 225-share index was finally 192.34 ahead at 20,943.49 after moving between 20,642.12 and 21,039.27. A fall in the futures market in early trade was offset by the rebound in the dollar. Foreign investors bought banking issues, and an intra-day rebound in futures also prompted arbitrage linked

Volume came to 883m

Wall Street gains in hightechnology stocks boosted electricals and semiconductor related issues. Foreigners bought Sony, which rose Y20 to Y6,520, and NEC, which

to Y5.500. Kanebo, the cosmetics maker, was the most active issue of the day, firming Y2 to Y372 on expectations that it would expand its operations into the semiconductor manu-

Fishing stocks, regarded as laggards, were bought by individuals and other short term traders. Nippon Suisan rose Y16 to Y2,370 and Maruha

Banks rebounded as foreign negotiations had been dis-

200.72 240.54 175.82 204.52 175.82 204.52 242.35 295.02 114.11 171.89 254.20 256.76 148.61 184.61 256.01 291.91 141.91 184.71 171.55 186.78 223.75 238.78

114.11 171.87 137.43 183.39 254.20 256.76 148.61 184.61 258.01 287.61 141.91 184.71 171.55 206.76 223.75 238.78

191.51 150.95
124.98 143.67
143.19 164.01
111.02 127.02
104.11 118.89
199.35 229.17
123.86 142.14
129.18 141.00
113.12 130.04
1297.69 342.22
171.38 107.03
52.53 50.38
101.88 117.10
348.80 400.97
53.86 176.88
300.12 355.36
182.60 210.01
53.86 176.88
300.12 355.36
289.07 182.40
176.21
178.52 125.88
204.26 234.81
148.07 170.22
128.55 147.78
153.72 176.71
173.62 199.55

188.67 182.40 134.76 154.92 182.82 210.16 110.87 127.45 120.75 136.81 189.31 194.63 121.48 138.65 183.96 222.96 122.05 140.31 196.31 156.70 187.88 181.50

0.4 2.11 207.48 200.68 157.06 158,49 176.28 208.13 189.20 172.08

150.96 148.67 164.01 127.62 119.89

# Nikkei average closes at 17-month peak 68.61 to 4,758.83, up from a day's low of 4,672.67, in turn-

over of T\$18.4bn.

and the Nikkel average closed at a 17-month peak, writes

shares, against 590m. The Topix index of all first section stocks rose 19.24 or 1.2 per cent to 1,622,14 and the Nikkel 300 by 3.86 or 1.3 per cent to 302.91. Gainers led losers by 696 to 384, with 148 issues unchange In London the ISE/Nikkei 50

index put on 3.62 at 1,426.07. advanced Y30 to Y1,290.

facturer, moved ahead Y90 to Y1,420 on active purchases by foreigners. Investors were bullish about the company's earnings since it was expected to benefit from strong demand for its semiconductor manufacturing equipment. Among other semiconductor related stocks, Tokyo Electron climbed Y150 to Y4,130 and Advantest Y180

facturing business.

appreciated Y12 to Y415.

ers calculated that the negative effects of the jusen bailout counted. Sakura Bank gained Y40 at Y1,230 and Mitsubishi

#### Bank put on Y70 at Y2,370. In Osaka, the OSE average moved up 207.23 to 22,524.17 in volume of 187.8m shares.

#### Roundup

Worries about the military threat from mainland China were put aside in TAIPEI. which recovered 1.5 per cent on buying triggered by the appearance of funds believed to be linked to the ruling Nationalist party.

Earlier in the week, Liu Taiying, chairman of the ruling party's business management committee, admitted that the party had purchased shares to support the market, adding that it would buy and not sell stocks before the presidential elections on March 38. The weighted index rose

over ballooned to HK\$12.6bn, including the HK\$5.3bn Cheung Kong placement. Cheung Kong ended 75 cents down at HK\$54.50, after a day's

low of HK\$53.25 and the placement price of HK\$53. Its Hutchison associate held at HK\$52, The H share index of the 18 China-incorporated groups listed in Hong Kong continued to benefit from buying of recent leggards. It advanced

10.78 or 1.2 per cent to 932.39.

placement of 100m shares by

Cheung Kong, closing nar-

rowly mixed as foreign funds

continued to flow in. The Hang

Seng index lost just 2.79 at 11,388.59, after 11,279.54. Turn-

KARACHI opened a new account, and stocks linked to global depositary receipts HONG KONG picked up after (GDRs) led the broad market an early, sharp reaction to a higher due to a weakening of

the rupes against the dollar. The RSE 100 index added 15.69 or 2.2 per cent at 1,687.8L MANILA had what brokers described as a long delayed technical correction after a steep rise in recent weeks, the composite index dropping 32.09 or 1.1 per cent to 2,882.94.

SINGAPORE saw profit-taking, although analysts forecast that the market was ripe for a further advance after its current consolidation. The Straits Times Industrial todes finished 1.78 off at 2.491.93.

IPC, the computer maker, slipped 2.5 cents to 83.5 cents on reports that it had shut its retail operations in the US.

SEOUL edged forward in rangebound trade and the composite index ended 2.56 higher at 883.77. Petrochemicals and banks were among the day's

LG Chemical gained Won300 at Won14,000 in response to rising petrochemical products prices and an expected increase in exports to China. BOMBAY bounced after Tuesday's sharp fall, the BSE-30 index closing 47.80 bet-

ter at 3,202.49. SHANGHAI's bard currency share index was weak on selling of Pudong shares by investors concerned about 1995 results. The index shed 0.477 to 50.466. SHENZHEN'S B index picked up 0.58 to 60.78, primarily due to a 14.7 per cent rebound to HK\$4.30 in Guangdong Electric

# WORLD GOLD CONFERENCE

### 24 & 25 June 1996, Venice

There has been more excitement in the gold market since the beginning of 1996 than at any time during the past two years, with the price of gold breaking through \$400 an ounce. The 1996 FT Gold conference brings together expert speakers from around the world to debate all the important market influences and to analyse the latest trends.

### ISSUES INCLUDE:

SPEAKERS INCLUDE:

- The Changing Relationship between the Central
- Banks and the Gold Market in the Late 1990s How the Market is Responding to New Forces
- New Initiatives to the year 2000 in South African Mining
- Mining, Mine Finance and Hedging
- Meeting the Challenges of Asian Demand
- The Gold/Silver Relationship

#### Mr Robert Guy Director

N M Rothschild & Sons Limited

Mr James H Cross Former General Manager, Gold and Foreign Exchange Department South African Reserve Bank

Mr Robert M Rubin Executive Vice President and Director AIG Trading Group

Mr Tom R N Main Chief Executive Chamber of Mines of South Africa

Mr Ted Recve Equity Analyst Scotin McLeod Inc

Mr James P Riley Jr Pariner Goldman Sachs & Co

Mr Don Mackay-Coghill Chief Executive Officer Gold Corporation

Mr Philip Klapwijk Senior Metals Analyst Gold Fields Mineral Services Ltd

Chief Financial Officer, Corporate Finance Department Ashanti Goldfields Company Limited Mr Fabio Torboli

Chief Executive Europe World Gold Council FT CONFERENCES

Mr Mark Keatley

### Official Carrier: *A*llitalia

NOURY/REGISTRATION FORM Please complete and return to:

In association with

THE BANKER

FT Conferences, Maple House, 149 Tottenham Court Road, London WIP 9LL WORLD GOLD Venice, 24 & 25 June 1996 Mt/Mrs/Miss/Ms/Dt/Othe FUE Manue Company/Organisatio

Tel: (+44) 171 896 2626 Fax (+44) 171 896 2696/2697 Please send me conference details

Please reserve one place at the rate of £790.00 PAYMENT IS REQUIRED IN ADVANCE Bank transfer to: FT Conferences, Midland Bank ple City of London Corporate Office Account Number: 7100909: Son Code: 40 02 50 International SWIFT Code MIOLORZ2

Please charge my AMEX/MasterCard/Visa with £

III June 1996, and will be subject to a 20% co

FT/S&P ACTUARIES WORLD INDICES

.197.01

.189.36 .214.99 .167.14 .157.65 .299.82

.187.97

.152.87

526.53 ..1180.88

432,44

165.45

189.62 182.26 206.93 160.88 151.74

288.57 180.02 178.75 178.75 178.75 194.15 428.19 249.31 75.89 147.14 556.76 1136.59 266.86 17.53 222.81 442.32 418.22 159.24 159.24 159.24 156.57 223.81 255.42

231.51 195.07 264.07 160.10 174.90 147.12 176.39 279.80 176.76 198.03

-1.2 -0.6 0.4 -0.2 0.8 0.6 0.6

131.47 125.37 143.47 111.54 105.20

200.07 125.43 123.93 111.31 296.87 172.86 52.48

351.37 788.02 184.53 53.75 154.48

288.57 110,41 204.79 149.87 129.42 158.17 175.71

159.34

0.3 200.33 138.89 159.26 176.98

NATIONAL AND REGIONAL MARKETS

Austria (26)

Jepan (482)..... Mateysia (107) . Mexico (18).....

Americas (779) .

<u>Tel</u>

December 1995 September 1995 June 1995 July 1995 February 1995 December 1995 March 1995 UIC/SOFAL Swiss Telecom PTT Portucel Industrial **National Power PLC Nokia Corporation** National Grid Group and PowerGen pic Independent Valuation Offering of FF 1.7 billion Sale of Kabeltelevisie Opinion for Swiss Telecom Global Offering of 34,800,000 Ordinary Amsterdam BV £166 million, Securitisation Global Offering of PTT in Connection with 492.3 million Shares of Shares at PTE 1,040 each early redemption of to Philips Media 181,000,000 Ordinary Shares the Proposed Acquisition National Power at 486p each ICL preference shares Networks BV and of a Strategic Stake 313 million Shares of at 208p each West International BV PowerGen at 522p each in Belgacom S.A. Sole Arranger Valuation Adviser International Joint Lead Manager Union Bank of Switzerland Financial Adviser Financial Adviser **UBS** Limited International Manager Joint Global Co-ordinator UBS Limited UBS Limited **UBS** Limited Union Bank of Switzerland UBS Limited December 1995 December 1995 June 1995 May 1995 Ulysses Securitisation plc TAG Hener S.A. Nokia Maillefer S.A. Portugal Telecom Switzerland Advising the NTMA SFr 415 million, Offering of 51,800,000 Ordinary Shares in Connection with Secondary placement of Acquisition Financing 180,000 bearer shares IR£ 140 million **Facilities** at PTE 2,800 each at SFr 610 each **Bullet Transaction** nections matter, Lead Arranger and Lead Manager Faculty Agent Joint Global Co-ordinator Lead Manager and Sole Underwriter **UBS** Limited Union Bank of Switzerland Union Bank of Switzerland Union Bank of Switzerland with UBS. June 1995 June 1995 November 1995 September 1995 **Unilever NV** Tauernkraftwerke AG NV Bank Nederlandse Rentenanstalt/Swiss Life Gemeenten US\$200 million, SFr 130 million, SFr 634 million, Eurobond SFr 150 million, Notes Convertible Bonds Issue Bonds due 2005 1995-1998 due 1998 1995-2001 Joint-Lead Manager Joint Book Runner Adviser and Sole Underwriter **UBS** Limited Lead Manager Union Bank of Switzerland Union Bank of Switzerland Union Bank of Switzerland August 1995 September 1995 October 1995 June 1995 Unitech Rheinische Telefónica Oesterreichische Hypothekenbank Postsparkasse PSK Placement of Global Offering of DEM 2.5 billion, 17,240,650 Ordinary Shares SFr 100 million, 26,135,111 Shares Bearer Bonds at £4.40 each Bonds at PTAs 1,637 each (Öffentliche Pfandbriefe) on behalf of Saurer Ltd 1995-2005 of 1995-2001 Joint-Lead Manager and Sole Book Runner and Co-ordinator Continental European Lead Manager Joint Book Runner UBS Limited Lead Manager **UBS** Limited Union Bank of Switzerland Union Bank of Switzerland February 1995 June 1995 June 1995 November 1995 **USINOR SACILOR** The Royal Bank of Telenor Omnitel Pronto Italia S.p.A. Privatisation US\$500 million, £125 million, Lit. 1,800 billion, FF 11.5 billion. Revolving Credit Facility Subordinated FRNs Project Financing Facilities International Offering due 2005 Arranger, Facility Agent and Co-Lead Manager Joint Arranger Lead Manager Union Bank of Switzerland Security Trustee Union Bank of Switzerland Union Bank of Switzerland **UBS** Limited July 1995 July 1995 August 1995 January 1995 Winterthur Finance Ltd The Tetley Group Sondel Oy Rettig Ab Società Nordelettrica S.p.A. SFr 563 million, £146 million, Lit 250 billion, Convertible Bond Issue, Sale of tobacco business Acquisition Financing Revolving Credit Facility Oy P.C. Rettig Ab to R.J. Reynolds Tobacco 1995-1998 Facilities International, Inc. Lead Manager Lead Arranger Sole Arranger Union Bank of Switzerland Financial Adviser Union Bank of Switzerland Union Bank of Switzerland **UBS** Limited January 1995 September 1995 October 1995 August 1995 Yorkshire Electricity Thomson S.A. Group plc South Wales Electricity plc Pearson plc £200 million, US\$400 million, £150 million, Eurobond £325 million, Revolving Credit Facility Eurobond Issue Multi-Option Facility due 2020 due 2020 Lead Manager Joint Arranger Sole Lead Manager Union Bank of Switzerland **UBS** Limited Joint Arranger **UBS Limited** Union Bank of Switzerland July 1995 icross European borders, but also across the whole spectrum of products. June 1995 South West Water Philips Electronics N.V.

sons why, when the outcome is crucial, you're in safe hands with UBS.



In London, UBS Lamited and Union Bank of Switzerland are regulated by the SFA.

£70 million,

Acquisition of

Blue Circle Waste Management

Sole Financial Adviser

**UBS** Limited

US\$1 billion,

Revolving Credit Facility

Sole Arranger

Union Bank of Switzerland

No need for

BT price cap,

regulator told

The Cable Communications Association has told Oftel, the

industry regulator, it believes there is no further need for a

The Association, which represents the cable industry.

believes that the market for telecommunications services is

approaching the point where competition will take over from price regulation of BT as the primary driver of improved

The CCA was responding to Oftel's December consultation paper on the regulation of BT's prices for the period from 1997

to the year 2002. At the moment, BT's prices are capped by a formula related to the retail price index. The cable industry believes that developing competition will bring benefits to all

consumers in the form of an increased range and quality of

service as well as lower prices. "A further period of tight BT

retail price capping could jeopardise the development of com-

petition and restrict the spread of real consumer choice," the

A third railway company yesterday became involved in an investigation into allegations of wrong-doing - prompting

renewed Labour criticism of the rail privatisation programme.

Union Railways, the company which is promoting the con-

struction of the £3bn (\$4.6bn) Channel tunnel rail link, said is

had begun an investigation into alleged "improper practices" in its procurement division. No one has been suspended from

The revelation about the problems at Union Railways fol-

lowed the disclosure that a member of staff had been

suspended from the West Anglia Great Northern rall company

after the discovery of alleged irregularities in ticket sales.

The problems at WAGN appeared to mirror an earlier incident at LTS Rail, the company which has won the London, Tilbury and Southend franchise. A director has resigned and five staff members have been suspended while investigating.

are carried out into allegations London Transport had been

Charles Batchelor and George Parker

Fresh railway company probe

Raymond Snoddy, London

rigid cap on British Telecommunication's retail prices.

**UK NEWS DIGEST** 

benefits to consumers.

work, the company said.

# Videotron to sell stake in cable company

and Raymond Snoddy in London

The UK cable industry seems set for further consolidation following the announcement yesterday that Videotron, Canada's third biggest cable television group, is seeking to sell its 56 per cent stake in Videotron Holdings, the British cable company. The move is a fresh blow to an industry which has been disappointed with its performance over the past

two years. The percentage of subscribers to cable television has been stuck at around 21 per cent of those households which would be able to receive it, although cable telephone subscriptions have been rising at a

Videotron Holdings is the seventh largest UK cable operator with franchises covering 1.4m homes. The company said last night it had 153,200 Videotron has retained Goldman

Sachs International, the New York-based investment bank, as financial adviser and will sell if an attractive offer is made. One potential candidate to buy the

Videotron stake in franchises in west and south London and Southampton is Bell Cablemedia, the third largest

26 per cent stake in Videotron Holdings. The public holds the remaining 18 per cent stake.

The two largest cable operators in the UK - TeleWest, which last year paid £679m (\$1.025bn) for SBC Communications, the fifth largest cable operator, and Nynex CableComms - are also likely to be interested in Videotron.

Mr Andre Chagnon, Videotron chairman and major shareholder, said he wanted to realise the value created in the eight-year-old British business for shareholders.

"Now is the time to explore

alternatives . . . given consolidation in the European telecommunications market." Mr

Videotron is also likely to require capital to develop its main north American markets as a result of expected telecommunications ulation in Canada.

Mr Chagnon said he wanted to concentrate his group's resources on north America, focusing especially on expanding its US cable-telephony operations

Videotron moved into British cable TV in 1988 after finding the French communications

became a strategic partner in 1991 as

For the nine months ending May 1995 Videotron Holdings reported revenues of £41.6m and posted a net loss of £7.76m, according to a prospectus for a US dollar note issue managed by Merrill Lynch in New

Up to that point Videotron Holdings had invested £370m in its systems in London and Hampshire.

Lex, Page 18

# Rival towns cry foul in soccer tournament row

By Chris Tighe in Newcestle

The first off-pitch brawl of the 1996 European Football Cham-pionship has ended in victory for Scarborough's tourist industry to cries of "bribe" from rival Darlington.

Scarborough and Darlington in northern England have been fighting each other for the prestige - and more importantly, the spin-off business of hosting the Bulgarian foothall team and its entourage during this summer's Euro 96 tournament. Scarborough believes the team's stay could attract up to 5.000 Bulgarian visitors, generating between 24m and 25m (\$6.04m-\$7.55m) for Scarborough.

its borough council's leisure and amenities committee will be today asked to approve an offer of £25,000 towards the Bulgarian national team's costs including £20,000 towards accommodation.

The North Yorkshire coastal resort – marketing slogan: "We've been expecting you" says it has had confirmation that the Bulgarlan Football Union has selected a hotel at nearby Ravenscar as the base

Darlington had expected to welcome the Bulgarians before Mr Don Robinson, a Scarborough businessman with Buigarian links, stepped in to lobby for his town. Darlington, which is conveniently located for the main road to Newcastle

and Leeds where the team will play its matches, is not amused. "We are not in the business of bribes," said coun-cil leader Mr John Williams. He added: "It's my firm belief that the Bulgarian Football Team will rue the day they

made this decision." Scarborough's director of tourism and amenities, Mr David James, rejects the suggestion that the Bulgarians had been bribed or unfairly subsidised. "An awful lot of people in this country are competing to get them here," he

Scarborough's case was promoted by Mr Robinson, a former chairman of Hull City and Scarborough football clubs, who has leisure business interests in Bulgaria.

For Scarborough, Mr Robinson said, the team's presence would be a terrific promotional boost. "People will read that and think, there's a go-shead

However the Football Association, which is hosting the tournament, is unconvinced that Scarborough, whatever the resort's appeal, will enhance the Bulgarians' footballing performance. The players will have to spend at least two hours travelling by coach to Newcastle or Leeds for their

Euro '96, only the Bulgarians declined the FA's help in sorting out their accommodation.

# **Optimism over IRA ceasefire**

The Northern Ireland peace process has some way to run ger of the Irish Republican Army ceasefire falling apart because of internal splits, according to British security

The view is thought to be shared by the security service MI5 and senior police officers with anti-terrorist expertise such as Mr William Taylor, commissioner of the City of London Police The assessment is thought to

be behind the British decision to play down comments made last weekend by former US senator George Mitchell, head of the international body on

Barclays, the UK clearing

bank, is to open its first office in Northern Ireland in the lat-

est sign of blossoming business confidence following the para-

The bank confirmed that it

would be up and running "in

the first half of the year", pro-

viding trade finance, treasury

The bank's establishment of

a local operation reflects the

improved security environ-

ment and the growth of the

economy, and is part of a

and general lending services.

By John Murray Brown

military ceasefires.

weapons. He suggested that there was a danger of a split within the IRA and a return to violence because of grassroots republican unease about the

According to security sources, the IRA and the Sinn Féin leadership have invested in getting their representatives to roundtable negotiations, and are confident of ensuring the adherence of their members to the ceasefire while talks with the government continue. The sources believe the IRA

was not behind a gun attack last Saturday, during which 57 shots were fired at the home of a policeman in County Tyrone. They blame the action on the Irish National Liberation Army, a small breakaway from

pool, while its Dublin opera-tion was part of the BZW

investment banking subsid-

iary. Now both operations will

report to the UK clearing head

Barclays enters a banking

scene dominated by National

Westminster - through its locally owned Ulster Bank -

and National Australian Bank,

which owns Northern Bank.

Also represented are the Irish

Republic's Bank of Ireland and

Allied Irish Banks through its

purchase of Northern Ireland's

TSB branches in 1991 - which

was recemed First Trust Bank

lack the military capacity to disrupt the peace process. Security officials stress they are not complacent about Northern Ireland though they

remain, on balance, optimistic.
They share the public view reiterated recently by Northern Ireland police chief Sir Hugh Annesley that the IRA retained as its most likely military option the renewal of a campaign on the British main-

Prior to the ceasefire, the IRA rated the propaganda value of an explosion in an English mainland city at least 10 times higher than that of a blast in Northern Ireland.

The terrorist organisation still regards its attacks on the City of London as among its military coups. "We believe

tion, First National and Irish

Permanent, two of the repub-

lic's main building societies,

have opened branches in

For banks, doing business in Northern freland involves spe-

cial expense. The stringent

requirements of fair employ-

ment legislation and the

tighter money laundering regu-

lations, which were introduced

to thwart terrorist racketeer-

the disadvantages. Exports are

growing faster than in the rest

But the attractions outweigh

ing, all add to their costs.

Northern Ireland.

that if the IRA were to resume its military activity it would be against a commercial target in a British city," a security source said.

The emphasis has switched to intensified intelligence tracking, spearheaded by MI5, of members of the IRA and their sympathisers on the mainland, some of whom have either moved across from the Ireland or been recruited since the ceasefire was declared. During the ceasefire the IRA has continued to carry out reconsissance missions while retaining access to its arms

One senior police source said yesterday: "The IRA still has the capability to move from a ceasefire position to an active

that of the rest of the UK. This

reflects the fact that one in

three people in employment

works for the state on salaries

comparable with the UK mainland while mortgage rates

and housing costs are lower.

As a result, Northern Ireland

has been viewed as a useful

source of core deposits at a

time when there is pressure on banks to improve their capital

"The peaca process is obviously sucking in players, but the competition is going to

be intense," says Mr John Trethowan of Northern Bank.

be expected to originate business as well as servicing UK customers with interests in

tion of ministers most blamed.

These are likely to be Mr Wil-

liam Waldegrave, Treasury chief secretary, and Sir Nicho-

las Lyell, attorney-general,

both of whom have said they

"It is not the fairness of the

Scott inquiry that worries the Tories, but its thoroughness," Mr Cook said. "The evidence

uncovered by Scott has

revealed a cosy conspiracy

lic interest but to protect the

political interests of minis-

Sir Robin, appearing before

the cross-party public services committee, said he had made

no public criticisms of the con-

duct of the inquiry and had no

intention of doing so.

The government, he said,

had left procedural matters to Sir Richard, but subsequently

had the opportunity to com-

ment on them if it so wished.

Sir Robin pointedly did not

seize the chance to repudiate the inquiry's remit or conduct.

Earlier, Ms Liz Symons, gen-

eral secretary of the First Divi-

sion Association, which repre-

sents top government officials, called for officials criticised in

lesigned not to serve the pub-

will "tough out" the criticism.

Barclays' new office would

#### deprived of £80,000 in ticket revenues a month. The investigation into Union Railways is being carried out Bank accounts for peace dividend by its auditors, Price Waterhouse. The company is owned by the government but will be transferred to the consortium which wins the bidding to build and operate the 68-mile link between St Pancras station in north London and the Channel at around 16 per cent, is twice

Long-term unemployment among workers aged between 25 and 49 has doubled during the past five years, according to figures from the Unemployment Unit, an independent research organisation. The number of people in this age group unemployed for more than two years rose from 158,000 to 316,000 between October 1990 and October 1995.

Mid-life unemployment doubles

In the south-east of England the percentage increase was particularly large, at 457 per cent.

· A bill to be introduced in the Commons on Friday by Mr David Winnick, a Labour MP, proposes making it an offence to specify an upper age limit in job advertisements. The bill is opposed by the government.

Lisa Wood

Lloyd's recovery plan changes:

Lloyd's of London is expected today to announce a rescheduling of its recovery plan's timetable. Votes of Lloyd's members expected in March are now expected to be held in May. However Lloyd's executives are likely to emphasise that the main planks of the plan - which includes a settlement offer worth £2.8bn to lossmaking and litigating Names - remain on Ralph Atkins, Insurance Correspondent

### Weather claims cost \$480m

Cold weather earlier this year resulted in home and business insurance claims costing £320m (\$483m), according to \$\frac{1}{2}\$-ures published yesterday by the Association of British Insurars. The total, to be spread among a number of insurers, is lower than initial estimates by industry experts. However the prob lems caused by the rapid thawing of freezing pipes will still rank among the most experisive incidents to hit UK insurers

### Bushmills to be prosecuted

Bushmills, the whiskey distiller, is to prosecuted after a chemical spill killed thousands of fish in a salmon river.

The Northern Ireland company, which is the world's oldest licensed distillery, is beside the River Bush on the north Antrim coast where fish stocks were devastated by pollution last summer. The Department of the Environment yesterday confirmed it would prosecute. Summonses are expected later

### US visitors back in force

Hose much tourists spend ists to the UK is back to 1990 Ston (at current prices)

levels - the peak period before the Gulf war. Some 3.7m North American tourists visited the UK in the year to the end of November last year. The number dropped to 29m in 1991. The increase in American visitors helped to break the 1994 record for overseas visitors to Britain. An estimated total of 21.9m overseas visitors came to the UK in the first 11 months of 1995 - a 4 per cent increase on the 21m for the whole of 1994, the Central Statistical Office said yes-

terday. The visitors spent (\$16.3bn) compared with £9.9bn in the whole of 1994. However, spending by UK residents abroad also increased to £14.7bn. This resulted in a trade deficit of £3.9bn in the year to November but represents an improvement on the £4.6bn defi-cit for the whole of 1994. Scheherozade Daneshkhu, London

#### larger rethink of Barclay's ICC, Ireland's state-owned of the UK, and companies are specialist investment bank, has Irish strategy: for the first increasingly looking for trade Of the 14 overseas teams in time, the bank is treating the also announced plans for its finance services. At the same island as one entity. Until now, first branch in the north. time, inward investment activits Northern Ireland business ity is increasing together with Equity Bank, a

# 'Routine' problem grounds **Boeings**

By Michael Cassell,

British Airways has been forced to ground temporarily two planes of its new Boeing 777 fleet because of technical problems with airflow seals on the aircraft.

The groundings follow earlier difficulties during the development programme for the General Electric GE90 engines installed in the BA aircraft, which came into service at the end of 1995.

But Boeing said that the fault did not involve the GE

engine assembly and was not linked to previous problems. It described the seal problem as a "routine in-service issue". BA said yesterday that "kiss" seals on the aircraft's engine thrust-reversers had

deteriorated more quickly

than had been expected and needed to be replaced. One aircraft is already back in service and the other is expected to follow in a few BA currently operates one

ery of 12 more over the next two years. The airline uses the aircraft on routes from London to Dubai, Muscat, Paris and Cairo.

As a result of the latest problem, Boeing and the US Federal Aviation Administration have asked BA to inspect the seals every 250 flight

GE said that the four GE90powered 777s in service with BA and China Southern had logged more than 3,000 flight hours while meeting all technical expectations for perfor-mance, reliability and opera-

bility.

He added: "The engine has experienced no in-flight shutdowns or unscheduled removals and has maintained a 100 per cent dispatch reliability

BA began operating the 777 in November after delivery from Boeing was delayed because of technical problems with the engines, which were subsequently modified. GE took the step of reassuring customers about the engines performance and safety.

# Ministers given Iraq arms probe report

By John Kampiner and Jimmy Burns

Sir Robin Butler, the cabinet secretary, yesterday distanced himself from criticism of Sir Richard Scott, suggesting that the procedures for conducting Sir Richard's arms-for-Iraq inquiry had been agreed at the start by the government. The head of the government

machine was giving evidence to a Commons committee as 24 copies of Sir Richard's 2,000page report were picked up by officials from the inquiry's headquarters and taken in a van to the Cabinet Office. They were then distributed

to a small group of ministers amid opposition concern that the government would use the week before the report's publication to give selective leaks to bolster its defence.

Miss Betty Boothroyd, Speaker of the House of Commons, suggested that ministers might give MPs more time to study Sir Richard's findings ahead of next Thursday's Commons statement by Mr Ian Lang, the trade and industry secretary. The current plan is for the Labour frontbench to receive a summary barely 30 minutes in advance of Mr Lang's Commons appearance. Sir Richard stepped up his defence of his conduct, dismissing the latest onslaught from a

former government ministers -Mr Douglas Hurd, the former foreign secretary.

If lawyers representing the



Sir Richard Scott: dismissed onslaught from former government ministers

cross-examine other witnesses, as has been demanded by senior Conservatives, the inquiry would never have finished its work. "We would still

circus," Sir Richard said. The tone of his remarks demonstrate a further deterioration in the already cool relations between a judge who is convinced of a concerted attempt be there. It would have been to denigrate his work and a hudicrous, it would have been a government that believes he

has overreached himself.
Mr Robin Cook, shadow fordays of presentation of the report. He said Labour would

eign secretary who will lead the Labour attack, called for a full Commons debate within

the report to be given more time to prepare their case. Sir Robin said the matter was still being discussed with the inquiry team. He also confirmed that officials who felt that their reputation is seriously affected" could make per-sonal statements. He added: "I

# Cut in world's fishing fleet urged to conserve stocks

The world's fishing fleet must be cut by 30 per cent to avert a widespread collapse of fish stocks, a committee of the House of Lords, the upper House of Parliament, warns

The science and technology committee says the cuts should be achieved by decommissioning - paying fishermen to leave the industry - which it sees as the fairest method sees as the lairest method available. Committee members call for much higher funding for decommissioning – includ-ing more than doubling Britain's £50m (\$77m) five-year programme.

Lord Perry, chairman of the

A drastic rescue plan for Britain's beleaguered abattoir industry, involving a 25 per cent cut in capacity in 12 months, was unveiled yesterday by the Meat and Livestock Commission, Alism Mattlend urses.

The plan, if taken up by abattoirs, would reduce over-capacity from 45 per cent to 20 per cent in an effort to restore the industry's profitability.

that compulsion might be

needed. He said: "Decommis-

sioning has been voluntary.

Small, less efficient ships have been decommissioned, so the

sub-committee which carried fishing effort has gone up rather than down. They've got to decommission higger ships." UK fishermen are likely to out the inquiry into international fish conservation, said yesterday existing programmes had proved inadequate and

agree with the committee that stocks must be saved but are likely to oppose drastic cuts in capacity if it means they are an inter-governmental panel of forced out of business.

"Overcapacity has dogged the slaugh-ter industry for too long," said Mr Don

Curry, commission chairman. "This

scheme should result in a healthier,

more profitable industry with an

improved capacity to make the invest-

ments necessary to compete effectively in the UK and overseas." the science and technology committee, said a large problem was the failure of politicians and fisheries managers to be sufficiently influenced by

scientific evidence. He called for the creation of experts - on the lines of the

It said it would work to minimise the loss of skilled staff from plants that close by helping them to retrain and move to other jobs in the industry

13,000 people employed in Britain's 491 abattoirs, although it did not estimate

where possible. The commission said its proposals would mean redandancies among the depend on whether large or small

up the political agenda. The committee reprimands the government for failing to act on conservation measures pro-posed by fishermen and calls

on scientists to be more forceful in their advice "In the UK and the EU at

slaughterhouses volunteer for closure. The amount of capacity targeted is the equivalent of 600,000 cattle, 6m sheep and 3m pigs.

The proposals come too late for Buchan Meat Producers, a leading Scottish slaughtering and processing company, which went into liquidation saying fears over "mad cow disease" aggravated its trading difficulties. tion has allowed the present

situation to develop in which...everyone blames everyone alse." Meanwhile "overfishing continues at a dangerous level".

The committee calls for a further tightening in European Union fish quotas. But it also argues they are ineffective and

should be replaced by other measures such as decommis-

It urges more use of "technical conservation measures" such as larger mesh sizes and panels that allow certain species or younger fish to escape. It wants a ban on fishermen discarding unwanted fish at sea - 25 per cent of fish caught are thrown back.

further development of fish farming - with the emphasis on devising diets for farmed fish that do not depend on fish

mendations were directed at all countries: "Unacteral

هكذامن الأحيل

**M**6:36 المراجعة الأستان 677 June 1 **2**4.2 ing states **在**是1975年 ME THE NEW COL FREEDO TO

lon9

Libetil'

DISK V

Sant.

150

255 Po

**S**EE 2 72

B#15 6.2

22.25

STORE THE

100

0.5%

2007

137 927

<u>≯a</u> \*:.

素のこ

CTC 1

PER TE

DOTE : 1

2027075

Section 1

MET'S:

\$50,74 pm

**西海河**。 Sales of the sales of **梅花**織工: Spirit Comment Special State Boyer, at Graphy .

The committee recommends

Lord Perry said the recomaction will not work."

# Trade unions suffer relentless decline Liseline from

By Robert Taylor. Employment Editor

Britain's trade unions face an uncertain future. Since the country's last Labour government left office in 1979, they have endured an unrelenting decline in their power and influence. From being an Estate of the Realm, they have been driven onto the margins of public life. Fewer than a third of employees now belong to a union compared with well over half in 1980. The proportion of workers whose pay is negotiated through collective bargaining is now well below

While few employers outside the printing and oil industries have pursued aggressive derecognition campaigns, unions have found it very difficult to make inroads into new plants. The spread of non-unionism reflects the lack of interest by a growing number of employers in working with trade unions. But that is not the whole story. Union leaders admit their organisations make little appeal to younger workers, many of whom were infants when the first Thatcher government took office.

any probe

2 年 1

-

THE STATE OF THE S

e e leas and

1

ment double

10 THE

re con config

1,000,000

1.00000

ian changs

st \$480m

rsecuted

3 force

والمنتشر والمناسب والمساور

1

1 123

1 7 mm 2 mm

1 . T : 22. (Bid)

。 一定等

고, ( - 46일본)

200

Yet employees do not lack reasons for seeking the protection and support provided by trade union membership. The growth of a deregulated and flexible labour market has undermined old securities in the workplace. Some big unions - notably the AEEU craft engineering union and the GMB genaral union - have adapted to meet the challenge of the new workplaces.

A long history of

Financial Limes

labour disputes

The Shipyards' Dispute

Dec 12 1995 Our Glasgow

correspondent telegraphed last

night. The Clyde engineers strike

entered tonight into its severith

week, and both sides are as fully

determined to carry on the strile-

as ever. The masters have gone

es tar-as they can; and this evening at a meeting of their

committee the proposed was

discussed as to whether they

that no good results could be

Bellast and Clythir compact to only until Stat December

as being the blackest in the

dispute and it is hinted the

mesters may be forced to

although the understanding may be renewed. Today is regard

withdraw the offer of one furthing promised on 3rd February. The

spondent telegraphed last

night: Events tomorrow will prove

re open after being closed for an

unusually long holiday period. It is aspected that some non-union

strong efforts will be made by pickets to prevent men returning.

correspondent telegraphs: The segments have immeted to the complement, Association their strengton of returning to work at 9

o clock this morning.

Jan 27 1896 A Belfast

strike is getting any nearer &

settlement, as on that day the

Clyde shipbuilding and

engineering establishments

masters til now have inclined to

stand and watch, but the

appearances now point to their

birring the aggressors.

Jan 5 1896 Our Glasgow

should attend the actionmed joint

conference as it was out forward.

Agreements signed between unions and companies such as Rover, Ford, British Telecommunications, Nissan, Rolls-Royce, British Steel, ICI and Toshiba indicate a willingness to form strategic alliances with a commercial interest. Many of the old obstacles to productivity such as demarcation lines between crafts have gone, and there is fresh emphasis on the introduction of flexible work practices.

Union leaders - most notably Mr John Monks, general secretary of the Trades Union Congress that represents most trade unions at the national centre - talk constantly about the concept of social partner-ship. They emphasise the need for consensus and co-operation and repudiate adversarial attitudes towards employers. They believe agreements are required in the mutual interest of employers and employees because both have a stake in achieving best

performance in the company. Most unions in Britain accept there can be no return to the kind of negative power they enjoyed 20 years ago, They want instead to develop partnerships with companies, provide a range of professional services for their members and seek out coalitions of inter-

est with other pressure groups. The recent formal opening of the country's first trade union management centre at Cranfield Business School is an indicator of the enormous change that has been taking place in the oldest labour movement in the world. Many unions are making themselves more businesslike in their

activities, throwing off their traditional reputation as warriors fighting a never-ending class conflict.

Union mergers and amalgamations are growing more popular to achieve economies of scale and to ensure survival in the face of falling income and

rising spending pressures.

Two years ago the 1.3m strong Unison was formed, bringing three separate public service unions together in what is now the largest union in Britain. The AEEU engineering union has established a strong presence as the main union in private manufacturing. Last month a new civil service union was formed called PTC that brings together tax officers and executive officers in the same organisation.

In the next few years many more unions can be expected to seek salvation through pooling their activities. It is possible that by 2001 about four or five mega-unions will dominate a movement that used to be known for its bewilderingly large number of small organisations.
But the future of British trade

unionism is more than ever bound up with the result of the country's next general election. If the Conservatives won an unprecedented fifth consecutive term, organised labour would be likely to plunge into greater decline, Many employers would begin to reap praise whether they needed to work with unions any more or if their employees should belong to outside organisations that seek to at least

influence the way they operate. But at the moment the Labour

opinion polls. "New" Labour under the leadership of Mr Tony Blair has no desire to restore the party's close relationship with the unions, a situation beneficial to both sides. He has told union leaders he wants to operate a policy towards them of "fairness not

an arms-length public position between the party and the TUC. But behind the scenes both sides are keen to stay in touch and work in harmony on a future employment agenda for government. Indeed, despite some coolness and doubt, the trade unions know they need a Labour government to achieve their

favours". This has already produced

wide-ranging agenda. They are seek-ing and are likely to win: • The introduction by law for the first time in Britain of a national minimum wage. An independent commission, made up of employers and upion officials, will decide what the figure ought to be and government will then make up its mind.

 Laws to help workers to secure representation and trade unions to win recognition in the workplace. The detail has yet to be worked out even if the broad objectives are agreed. Mr Blair has already made it clear that the bulk of the industrial relations law passed by the Conservatives since 1980 will remain under a Labour government even if most trade unions find much of it hostile. Postal ballots to decide whether workers go on strike and to elect their union leaders will remain. So will existing laws that

party enjoys a consistent wide lead in ban mass picketing and the closed shop.

• Signing up to the social chapter of

the European Union. Moves to stimulate employment. These remain unclear but the unions

will be keen to ensure there is an expansion in jobs.

• "Stakeholding". Here the trade

unions would like to see a legal obligation for employers to be responsible not merely to shareholders but also to their employees and customers as well as the community in general. The Labour party seems unlikely at the moment to go all the way with what the TUC wants. However, all these issues amount to a substantial agenda for government if Labour come to power.

The Conservatives have already scorned many of these proposals and nggest that they would resurrect the union barons of the 1970s and threaten the country's new-found competitiveness. Opinion polls suggest that unions are no longer regarded by the majority of people in Britain so much as overmighty sub-jects who abuse their power but as underdogs that need sympathy and support.

It may be so but most union leaders acknowledge bitter memories of the past, of violent picket lines and unreasonable pay demands, may still be used against them in a closely fought general election. This is why Britain's trade unions are likely to keep as far out of the public gaze as is possible when the campaign begins.

# Brussels is eagerly grasped

Trade unions are now among the most pro-European Union enthusiasts in the UK. Their leaders are even keen on the idea of economic and monetary union despite caution about it among their political allies in the Labour party.

But the EU has provided a lifeline for British unions after almost 17 years of decline in their power and influence. The visit of Mr Jacques Delors, the European Commission president, to the Trades Union Congress in 1988 symbolised the big change in TUC policy towards Europe. Until then most British unions had been at best ambivalent towards the EU. Since the UK first applied to join the European Economic Community in 1961, the TUC changed its mind about the issue six times. Doubts were eliminated by Mr Delors' vision of an EU with a central role for workers and unions.

The TUC has since become an effective force in the Brussels decision-making process. In 1993 - 20 years after the British government signed the Treaty of Rome, the TUC opened an office in the Belgian capital. It plays a significant role in co-ordinating the TUC's European strategy.

Mr David Lea, the TUC's assistant general secretary, is a pivotal figure in the European structure constructed by British trade unions. Europe has given us a new and positive agenda at the TUC," he says. It has also ensured we have a moral advantage over British employers. Union leaders have a greater understanding in depth and confidence to play a central role in the EU." His colleague, Mr Tom Jankins heads the TUC's European unit and chairs the workers' group on the EU's economic and

social committee.

The TUC has established respect as the oldest and after the German union movement - the largest union body inside the EU. The TUC is a strong supporter of developing the so-called "social dialogue" between the European trade unions and Unice, the employdialogue led to agreement on minimum conditions for the provision of parental leave.

results of the TUC's positive attitude to the EU lie in the way in which the UK government and the country's employers have been forced onto the defensive over the European social policy agenda. On a number of issues the TUC can claim to have made an advance. These include:

• The introduction of European consultative works councils under a directive. These bodies are being introduced in all companies that employ more than 1,000 workers inside the EU with 150 or more in at least two member states. The UK is not directly covered by the directive thanks to its outout from the social chapter of the EU's 1991 Maastricht treaty. But in practice UK com-panies are including their British employees in the works councils they have to establish for the rest of their European MOLKLOLGIE

 The acquired rights directive. Pressure from British unions led to favourable legal judgements on that measure

workers as a result of a transfer of ownership. This has had a particular impact both on what has happened to worker: affected by the privatisation of publicly owned agencies and companies and the consequences of compulsive competitive tendering for services. • Tougher health and safety measures. A 1993 law in Britain provided employees for the first time with the legal right to refuse to work if they believe their working conditions are unsafe. This was a direct result of EU pressure. An employee will be able to secure unfair dismissal compensation from an employer before an industrial tribunal for taking action at work where they reasonably believe they are "in serious and immi-

which have prevented employ-

ers from worsening the agreed

terms and conditions of their

 Stronger protection for women at work. Women cannot be dismissed on grounds of

 Protection for part-time workers. The UK has vetoed the proposed EU part-time worker directive. But the UK government was compelled to accept - as a result of a House of Lords judgement - that part-time workers have to be covered by the same legal provisions as those working full-time when it comes to their rights in collective redundancies and protection from unfair dismissal.

The TUC is confident of substantial advances on its European social policy agenda if the Labour party wins the next British general election. Mr Blair has promised a Labour government will end the UK out-out from the social chapter. If this happens, swift progress might be expected on implementing the KU's working time directive that sets a maximum of 48 hours a week unless a worker agrees otherwise, as well the posted workers directive to ensure a worker employed temporarily in another country will receive the same conditions of employ-

ment as a comparable worker from the host country. ers will be entitled to genuine consultation rights in cases of But the most affective mass redundancies and business transfers in line with the 1994 European Court ruling. Already a bolder social affairs agenda is being drawn up by the TUC, the European unions and the Socialist majority in

> Social affairs commissioner Mr Padreig Flynn's new medium-term programme has been toughened up under pressure. It now includes a commitment to press for works councils in all national-based undertakings employing over 50 workers, a pro-labour clause in public contracts: measures to strengthen trade union freedoms and collective bargaining and the introduction of a minimum income.

the European Parliament.

All of this represents an important and probably irre-versible shift in TUC thinking towards Europe. The flow of events appears likely to strengthen the concept of social partnership between employers and unions in the UK and bring them more into line with their continental

# dustrial action Aggregate number of working days lost (m) 200

# Tide of criticism swings against bosses

By Andrew Boiger,

Trade unions now operate in a very different world from that which led to their industrial militancy being known internationally as the "British disease". A wave of public sector strikes in the late 1970s helped bring to power Mrs Margaret Thatcher's first Conservative government, which was determined to curb union power.

The subsequent decline in union power and industrial action cannot be attributed wholly to government action: high levels of unemployment and structural changes in the labour market have also been important.

The recession of the early 1980s saw big job losses in heavily unionised manufacturing plants in the industrial north of England and Scotland. The culling of tens of thousands of jobs in coal mining and steelmaking cost the unions dear.

Jobs which have subsequently been

created are concentrated in higheconomy with smaller workforces. Some of the fastest-growing areas of the country, such as East Anglia and the "M4 corridor" between Bristol and London, have a history of relatively weak

Nevertheless the Conservatives have

succeeded in transforming the legal framework in which unions operate. There is little prospect of it being changed even if the Conservatives lose office at the next general election. Mr Tony Blair, the Labour leader, recently assured readers of the rightwing Daily Telegraph newspaper: "There is no going back on the Thatcherite trade union reforms: now we need management and workforce to work together." Successive Conservative administrations have enacted eight separate pieces of industrial relations legislation since 1979. These have outlawed mass picketing and have restricted "secondary" action by workers in one

another. The Conservatives have also abolished the closed ahop, which obliged workers to belong to a recognised union before they could work in a particular plant.

The barrage of anti-union legislation has brought consequences never intended by the Conservatives. The extension of democratic procedure through the use of workplace and later postal ballots, as required by law, has helped to legitimise the activities of unions. The introduction of a secret ballot before the calling of official strikes has often been used by unions to improve their bargaining stance with

While unions received little support from opinion polls in 1979, the year in which the last Labour government was defeated, they are now much more popular, perhaps in response to the insecurity which pervades the labour market. One of the regular surveys by the Trades Union Congress indicates that

company in support of strikers against 90 per cent of people believe unions are ential to protect workers' interesta. A large majority think the balance of power at work has tipped too far in favour of employers. Mr John Monks, general secretary of the TUC, said: They are saying the problem is no longer the over-mighty union, but the over-mighty boss."

Yet it remains an open question how the unions will respond if continuing recovery leads to a significant tightening of the labour market. Already problems of recruitment and retention are concerning employers of teachers and

The public sector, where the government has striven to hold down wage levels, may well be the next flashpoint. Sixty-two per cent of public sector workers are unionised compared with 23 per cent in the private sector. "One thing is certain," a senior union official said. "There is going to be a big bust-up in public sector over pay in the next

# "Little resistance from workforce to Japanese style of working" North-east England 'Issues of the 70s and 80s have largely gone away"

# Single-union agreements preferred Government is accused of hostility

By Roland Adburgham '

In the Welsh capital of Cardiff, production has just begun at the most recent plant to be established in Wales by a non-UK manufacturer. Ocean Technical Glass, a Japanese and German joint venture which will eventually employ 700 people, has followed precedent by negotiating a singleunion deal.

The willingness by most foreign-owned companies to recognise unions in Wales reflects their appreciation of the significant role the unions continue to play in the country, with its history of heavy industry. Wales has the highest level of union membership in the UK, at 43 per cent of the employed workforce. "Unions are part of Welsh culture," says Mr George Wright, regional secretary of the Transport and General Workers' Union, one of the largest Brit-

Most incoming companies appreciate this and take the initiative by choosing one

and thereby avoiding claims for recognition from more than one. Many of the agreements allow for conciliation and/or arbitration in disputes by Acas, the government's independent conciliation service. Wales has 350 foreign-owned

plants employing about 68,000 people, and most have recognised trade unions. Most have also struck a deal with only one union. One of the features of past industrial strife was that in multi-union plants different unions often took disruptive action for different reasons at different times.

Ocean's latest agreement in Wales is with the electricians' side of the merged AEEU engineering and electrical union. With a 24-hour process utilising hot furnaces, the company regards it as essential to avoid disruption.

US companies are the most numerous non-UK businesses in Wales, but some of the largest employers are Japanese which have encouraged the trend towards single-union deals. Sony was the first Japa-

union with which to negotiate nese company in the region to recognise a union. Research by Cardiff Business School\* shows that, of 24 Japanese companies studied, 22 recognised unions. Only three recognised more than one union, and union membership among employees ranged from

> In 15 of 18 agreements studied, the researchers reported that "a flexibility clause unambiguously establishes management's right to deploy labour as it sees fit." They commented: "The Welsh workforce . . . has adapted with remarkably little resistance or complaint to a Japanese style of working."

30 to 100 per cent.

Wales Trades Union Congress, an umbrella organisation established in 1974, has played a leading role in forging arrangements with inward investors. It acted originally as a broker in what were termed "beauty contests" in which unions competed for the right to represent workers at a factory. The intention was to avoid squabbles among imions

Unions now tend to negotiate By Chris Tighe directly with companies, but Wales TUC takes the lead in demonstrating that inward investment is encouraged by the employed side of industry. Mr David Jenkins, its general secretary, stated: "We see our role as full partners in the forging of a successful economy . . . I would ask you to consider myself and my trade union colleagues as potential

Mr Wright reinforces the point. "We want to persuade them to come," he said, "We welcome them with open Since 1990, days lost due to

industrial disputes in Wales have been at or below the UK average. Mr Martin Mansfield of Wales TUC speaks of the "co-operative ethos" in Wales. "Part of the attraction of coming to Wales is that we are not a conflict-based labour movement," he says. "Our intention is to avoid disputes."

Working for the Japanese by Jonathan Morris, Max Munday and Barry Wilkinson; Athlone in Newcastle upon Tyne

Nissan, Fujitsu, Samsung, Siemens: north-east England has claimed a big share of inward investment into Europe since the early 1980s, The north-east and the northwestern county of Cumbria now have about 450 inward investment projects representing actual and projected spending of about £7bn (\$10.6bn).

Success in attracting such investment has made an important contribution towards safeguarding jobs at a time of sharp decline in traditional industries.

But the past decade has often brought frustration to trade union leaders in the area. Big investors such as Fujitsu of Japan and Korean-owned Samsung have chosen not to recognice any union for hargaining about pay and conditions at their new units in the north-east

Mr Bob Howard, northern regional secretary of the Trades Union Congress. believes this trend has been

bolstered by hostility towards nomic regeneration and inward unions from the British government, "Unions have been sidelined by government."

The choice by Nissan in 1984 of Sunderland in the county of Type and Wear for its new European car plant was a watershed for the whole north-east. The fight to win the Nissan investment united diverse interest groups. When Nissan decided to negotiate only with the engineering workers' union, rival unions assumed that they would have plenty of opportunities with other inward investors.

They saw recognition deals such as Nissan's as an endorsement of their role. The regional TUC has also welcomed, as a positive hint to British employers, the emphasis placed by many inward investors on training and on the value of their employees' contribution. Yet winning recognition deals from new investors has proved

Mr Howard combines his union role with a directorship of the Northern Development Company, the region's ecoinvestment body. A tripartite organisation, its board comprises five directors from the private sector, five from the TUC and eight from municipal authorities.

Mr Howard asserts nevertheless that the UK government's stance has made it difficult in recent years for unions to transmit their message to inward investors. He adds that unions have been excluded from overseas missions to woo inward investment. Mr John Bridge, chief execu-

tive of the development company, rejects this claim. He says the changing nature of presentations outside Britain reflects the fact that UK industrial relations, once a worry for investors, is no longer an issue. British industrial relations are seen in other countries as being much improved. "The issues we were addressing in the 70s and 80s have largely gone away."

For Mr Howard the big question is whether the Labour party will win the UK's next

He sees Labour adopting a more sympathetic view than the governing Conservatives towards European Union legislation and the concept of copartnership including employee representation. This. he believes, could create a more favourable climate for unions. He notes that even the prospect of a general election has already meant a softening of attitudes.

Meanwhile, his immediate challenge is to persuade German investor Siemens to consider a union recognition deal at its £1.13bn semiconductor plant under construction in North Typeside.

Siemens operates in a unionised climate in Germany and has retained union recognition at British factories it has acquired. Its stance at its big UK greenfield investment therefore has wide implica-

"With a high profile company of the magnitude of Siemens, it would be a very significant coup to re-establish that pattern of industrial relations for the next era," says Mr Howard.

### Worth Watching · Vanessa Houlder

VisNet software is, on average,

five to 10 times faster than the

first generation of 3-D viewers. The VisNet 3-D interactive

viewer has a control panel for navigating virtual worlds, but

head-mounted displays.

and will work either as a

745745; fax (0)1256 745777.

requires no special hardware such

The viewer, which requires a minimum 486 processor, runs on

all standard Windows platforms

stand-alone helper application or with Netscape and Microsoft web

Superscape VR: UE, (0)1256

Lactic preservative

for cattle feed mash

Dutch scientists have found a way

The technique, which could cut

the cost of transporting the feed, stemmed from the isolation of a

hacteria that produces enough

lactic acid to keep the mash in

The work was carried out by

researchers at the TNO Nutrition

and Food Research Institute, the

Wageningen Agricultural College

Heineken Technical Service and

Bonda's Animal Feed Agency.

TNO Nutrition and Food

Netherlands, tel 306941144: fax

Electrical dental

The thought of using electrical

probes to examine teeth will not

researchers at the universities of

St Andrews and Dundee believe

resistance of teeth could become

reliable and painless method of

detecting dental decay early on.

The researchers believe that the

newly developed method, known

Technique, is more accurate than

as AC Impedance Spectroscopy

traditional visual inspection or

It works by applying a small

electrical stimulus of 10mV and measuring the resulting current,

from which the tooth's resistance

- tt decreases as it decays – can

University of Dundee: UK, tel

(0)1382 344021; fax (0)1382 845515.

that measuring the electrical

decay detector

appeal to everyone. But

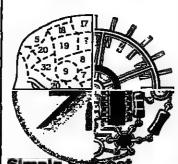
Research Institute: the

of removing water from cattle feed mash made out of brewing

waste without damaging its

ngiritional value.

perfect condition.



on trial

An Israeli company has designed a simple HIV test that needs no refrigeration, electricity, distilled water or technical expertise. The World Health

Organisation's Centre for Disease Control is currently evaluating trials, which are taking place in Uganda, Kenya and Argentina. The test uses a small amount of blood which, unlike standard tests, need not be taken from a vein and separated by a technician. The result is indicated by treated paper. Zer, which specialises in hormonal and lmmunological diagnostic kits, believes it will be particularly

suitable for under-resourced villages in Africa and Asia. Zer: Israel, tel 2 251489; fax 2

#### Motorola tunes to two-way radio

Motorola has launched a two-way business radio to take advantage of the UK government's recent moves to make free additional airwaves and reduce the licence fee to £30 for three years.

The Handie-Com, which costs between £149 and £222, can be used to communicate between two or more people across distances of up to one mile.

Applications could include small hospitals, car sales franchises and sports complexes. Motorola Radio Products Group: UK, tel (0)1252 801301; fax (0)1252

#### Fast 3-D viewing on the World Wide Web

Interactive three-dimensional pages are still a rarity on the World Wide Web, but enthusiasts believe they have the potential to make the Internet far more stimulating.

Superscape, a virtual reality

or European companies in industries suffering overcapacity and harried by rivals specialist based to the UK and the US, has developed software for new technology is a vital tool to maintain competitiveness. viewing 3-D web pages. It says its

Sometimes even survival is at stake, as was the case at the Odense Steel Shipyard, the biggest in Den-

In 1986 the yard, with employee numbers down to about 1,000, was on the verge of closure. A steady improvement in productivity was the only way it could hope to survive the intense competition in the international shipbuilding industry.

The yard is now established as one of the most productive in the world, an achievement arising largely from its participation in the European Union's Esprit programmes. These bring together European companies and research institutes to co-operate in the development of new technology.

'One thing is absolutely certain we would not be where we are today but for the Esprit programme," says Kurt Andersen, the yard's chief executive.

This is quite an endorsement for what the yard's executives consider to be one of the EU's most successful programmes

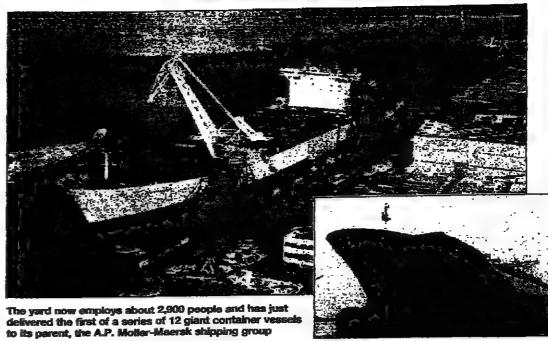
One Esprit programme in which the yard participated was to help develop automatic robot welding technology. Its application has been crucial to the yard's ability to achieve a constant improvement in productivity, says Torben Andersen, executive vice president in charge of the technology pro-

The Odense management claims that productivity has increased by more than 20 per cent over the past five years, with much more still to come. The yard now employs about 2,900 people and has just delivered the first of a series of 12 giant container vessels to its parent, the A.P. Moller-Maersk shipping

Each vessel can carry 6,000 standard 30st containers, making them the largest of this type in the world today.

The associated outlay on containers, about 80,000 40ft and 45ft containers (being built at A.P. Moller's Danish container factory) and on new cranes and other port facilities at Maersk Line's terminals and other ports of call, probably makes this the biggest single industrial investment in Danish history.

A condition of the Esprit projects is that they bring together companies and research institutions from at least two countries. The industrial partners have half their costs covered by the EU; the research institutions have all their marginal costs (costs incurred specifically from participating in a project) cov-



# Ship-shape with Esprit

Denmark's biggest shipyard regained competitiveness thanks to the EU research project, writes Hilary Barnes

plies the research effort by 10 as compared with what we could do on our own. This is an enormous upgrading of the effort - and the Commission pays half the bill," says Torben Andersen.

But, he adds, there is more to it than that. On its own, the company would probably not have been able to mobilise sufficient resources for achieving success. "Esprit gives us access to other people's creativity, and creativity is one of the most limited resources there are," he

Two of seven Esprit projects in which Odense has participated have produced the most spectacular results to date. The first was a heavy welding project, covering the years 1964 to 1989, the aim of which was to analyse and demonstrate the application of computer-integrated manufacturing in heavy welding fabrication.

It brought together computeraided design, graphic simulation and production robots, showing how to link a series of computers so that a product could be designed.

tions generated to guarantee efficient manufacture.

The visible result at Odense is a giant robot welding machine in one of the large halls where huge sections are completed before being lifted out for assembly in the dry

'Once welders have tried this work, you can't get them to get back on their knees again'

The machine has 12 robots, each with eight axes of movement, working simultaneously on a single section. The work of the robots is coordinated, a task which calls for supercomputing techniques.

A light sensor system enables the robots to identify and move into the required positions. The job of the welder is to punch the buttons to instruct the robot. "Once welders

methods for automated production have tried this work, you can't get assessed and machine work instrucagain," says Torben Andersen.

The second Esprit project, Cleopatra, goes further. It equips the robot with vision, enabling it to adapt programs to changing and complex profiles and to weld complex geometric shapes.

The project is not finished, but Odense is already exploiting the results of the programme. It has robots that work on a concave section, to which it welds sections not at right angles to the base but at an angle of about 70 degrees. This is a more complex task than those carried out by the 12-robot machine, where sections are welded either at 180 or 90 degrees to each other. In Cleopatra, the robot can move around 11 axes compared with the six axes used by most industrial

"The results of the Cleopatra programme are still very speculative, but it goes beyond the limits of traditional robot technology and we expect very exciting advances in coming years," says Torben Ander-

Maize's inner strength

genetically altered maize A seed that resists a devastating crop pest is awaiting approval from the EU after winning the go-shead for sale in North America.

The seed, developed by the seeds division of Ciba, the Swiss chemicals group, is designed to resist the European com borer, a moth which causes an estimated \$1.1bn (£710m) of damage a year to maize crops in the US and Canada alone.

明治の ないまでんれると

السيسية المارية المارية

当市社会

N Paris

In France, farmers spend . about FFr200 (£26) per hectare on sprays against the pest, which lays its eggs on the underside of the leaves. The emerging larvae bore their way into the stalk, leaving empty galleries which prevent the plan feeding and make it collapse in the slightest wind.

Ciba has just received approval from the Canadian . agriculture ministry for production and sale of the maise seed hybrids. In the US, it has gone on sale for spring planting this year after receiving approval last summer.

The new seed contains a gene from a bacterium, Bacillus thurinoiensis, which makes a protein known to control some caterpillars. The protein has been used in sprays since 1950 a safe insecticide, but the corn borer is hard to tackle once inside the plant.

Ciba's approach was to work against the pest from inside. Because maize plants do not speak the same "dialect" as the bacteria, the next stage was to recreate a gene that produced the crucial protein and could be understood by the maize plant. Ciba scientists then shot tiny

beads of gold into the cells. coated with the genetic chemical DNA which found its way into the chromosomes. Within the DNA was a "selective marker": gene which protected the transformed cells from a herbicide used to destroy other cells and allow the altered ones to multiply. The plant's seeds. were then used for breeding. plants carrying the same two

Alison Maitland

NEW ISSUE February 7, 1996



\$400,000,000

5.65 % Debentures

Dated February 12, 1995 Due February 12, 2001 Interest psyable on August 12, 1996 and semiannually thereafter.

Series SM-2001-K Cusip No. 31359C CE3 Callable on or after February 12, 1999

Price 100 %

The debantures of February 12, 2001 are redeemable on or after February 12, 1998. The debantures are redeemable in whole or in part at the option of the Corporation at any time (and from time to time) on or after the initial redemption little at a redemption price of 100% of the principal amount redeemed, plus accrued interest thereon to the date of redemption.

The debentures are the obligations of the Federal National Mongage Association, a corporation organized and existing under the laws of the United States, and are issued under the authority contained in Section 304(b) of the Federal National Mongage Association Charter Act (12 U.S.C. 1716 et seq.). The debenbures, together with any interest thereon, are not guaranteed by the United States and do not constitute a debt or obligation of the United States or of any agency or instrumentality thereof other then Fannie Mae.

The offering is made by the Federal National Mortgage Association through its Senior Vice President and Treasurer with the assistance of a nationwide Setting Group of recognized dealers in securities.

Debentures will be available in Scok-Staty form only. There will be no definitive securities offered.

Linda K. Knight

3900 Wisconein Avenus, N.W., Washington, D.C. 20016 i empuncionent appears as a mittler of record crity. This announces or an other to sell nor a solicitation of an other to buy any of the Debr

The Financial Times plans to publish a Survey on

European

Stockmarkets

on Thursday, February 15.

On 2nd January, new EU legislation governing the remote trading of stocks

between European countries was Introducted. The Financial Times will raise the

many issues and choices facing the Exchanges and securities houses dealing cross-

border within Europe as well as the role to be played by information providers in this

If you would like to know in more detail what subjects will be covered, a full

Alan Cunningham

Tel: (0171) 873 3206 Fax: (0171) 873 4296

new and more competitive environment.

FT Surveys

editorial synopsis and advertising costs are available from:

#### **CONTRACTS & TENDERS**





COMPANHIA PARANAENSE DE ENERGIA - COPEL **IGUAÇU RIVER** INTERNATIONAL BIDDING C-304 SUPERVISION, CONTROL AND PROTECTION EQUIPMENT

CALL FOR BIDS COMPANHA PARAMAENSE DE ENERGIA - COPEL - Informs linit an inte

bidding is open for the design, manufacture, development, preprint his an international bidding is open for the design, manufacture, development, preprinton, factory state, packaging transportation and delivery on job site, erection and commissioning supervision, field manufacture, focus and commissioning supervision, field manufacture for the systems/equipment field below, for the Selde Cassiau Hydrostrictic Power Plant, tootted on the border of Capitile Ladindes Marques and Nove Prats do Iguagu stuncapathies, in the State of Paramé • Digital Supervision and Control System

etre; Unite Profesion System don Bus and 525 KV Transmanon Line Profesion Sesion

This intermedianal Bridding, of the lowest price type, is open to individual companies and/o

consortina. The costs related to the Supply, object of the International Bidding, will be covered by COPEL's own funds. The Internations to Buddens and the Contract Documents will be available to the International Companies from February 08, 1996, until the day before the documents definery day against payment in Brazillan currency of R\$ 300,00 (three hundred Reals), at the following

Superiolendância de Obras de Gerapão Pem Yolustários da Přicta, 233 - 8º andar - flaia 604 8622-009 - Curliba, PR, Brazil Phone (55-41) 323-1212 - Est, 6641 Fax (55-41) 331-6165

Bacristello COPEL/São Peulo Alameda Santos, 1800 - 14" estás: - Conj. 14-8 51419-200 - Eko Fessie - SIV, British Phone (68-71) 289-1421

At the lates of acquisition of line instructions to Bibblers and the Contract Documents, the companies shall submit a lotter containing their full address (name, street, number, 2p cods, state, telephonetics). The delivery of the Quelicotion Documents and the Price Bibler is all take place on the Alay 92, 1939, at 2,00 P M., at the smeating room of COPEL's Superintendings de Claras de Gerapio, in Curitibe, 232 Voluntarios de Pâtra Street.

The bidding shall be suied by Lew n. 8666, of June 21, 1963, and by other conditions

NHIA PARANAENSE DE ENEG

### **PUBLIC NOTICE**

#### OFFICIAL NOTICE The loss has been reported to us of the London Metal Exchange warrant No.

105401 covering 27 (twenty seven) bundles High Grade Primary Aluminium Ingots - Brand KPA3 - weight 25,039 Kgs. Nett - stored in warehouse Skandiamansport, Helsingborg. We have been requested to issue a replacement/duplicate of this warrant.

Anyone claiming title to these goods is invited to enter protest by means of a Summons against the delivery of the said material or the issuing of a substitute warant. C. SHAW LOVELL & SONS LTD.

Plantation House 31-35 Feachurch Street London EC3M 3DX

Petraleum Argus Daily Oil Price Reports Petroleum Argus

OFFSHORE

companies anadobie. For 1900 page entre consus programs contains: John Silliam D HAURIST, CA. Tel: +44 NGAL 119544 Fins: +44 1624 (1965) Localina GIOSAND COOK, MSc 193: +44 173 323 3856 Fins: +44 171 495 301 COMPANIES Home more persons, 1500 Tal: 4552 25220172 For: 4552 2521190
1504 Tal: 4502 25211

**FUTURES PAGER** 

 CURRENCES → FL/TLanes → BIDICES MARKET NEWS & UPDATES 24 HRS & DAY

FREE 10 DAY TRIAL Freephone 0500 800 456 From autside UK 0171 895 9400

### PUBLIC NOTICE



#### PROPOSAL BY THE DIRECTOR GENERAL OF WATER SERVICES

for the modification of Condition K of the Instrument of Appointment of each of the water and water and sewerage undertakers in England and Wales Water Industry Act 1991 Sections 13 and 14

Any representation about, or objections to, these proposals should be in writing, addressed to the Director General of Water Services, Centre City Tower, 7 Hill Street, Birmingham B5 4UA, (Fax 0121 625 1475) to be received by him not later than 5.00pm on Friday 8 March 1996. Please

Statement of the reasons for and the effects of the proposed modifications

- 1. Condition K is the Instrument of Appointment of each water and water and sewerage undertaker in England and Wales regulates the disposals of surplus land. The purpose of the Condition is to ensure that the best price is obtained from all disposals and that the benefit of those proceeds, above those assumed when price limits were last set, is divided between shareholders and customers.
- 2. The Condition requires undertakers to notify the Director General (the Director) of proposed disposals at arm's length whose value exceeds £500,000 and of all disposals by way of transfer to Associated Companies. In addition, since 1992, all disposals have to be notified annually to
- 3. There is currently so value threshold for transfers to Associated Companies. Therefore those disposals, however limited in value, must be submitted to the Director. The majority of the surplus land identified in 1989 has now been disposed of under the terms of Condition K; so the surplus land identified in 1989 has now occur maposas or madification which will simplify the Director considers that the time is right to propose a modification which will simplify the application of this Condition to proposed disposals by transfer to Associated Companies.
- The requirement for notice and the Director's consent will apply to those disposals, to Associated Companies, whose valuation exceeds £500,000. (In these more substantial cases, the interests of customers will be protected by the continuing requirement for the consent of the Director to e. \* disposal. His consent may include conditions, for example about the clawback of development value which may be realised later). However, transfers at valuations up to that figure will no longer have to he notified individually to the Director and will no longer require his consent. 5. In addition, a number of minor amendments are proposed and little-used provisions will be
- removed, so as to simplify the Condition. Additional information 6. The Director has proposed to the Secretaries of State for the Environment and for Wales that the
- current threshold of £500,000 for arm's length disposals (see 2 above) should be increased to f.lm. If they agree, only proposed arm's length disposals whose value exceeds the latter sum will require separate notification to and the consent of the Director. However the requirement to report to the Director annually all disposals of land (including those below the proposed sholds) will still apply.



Les Echos

The FT can help you reach additional business readers in Frence. Our link with the French business newspaper, Les Echos, gives you a unique recruitment advertising opportunity to capitalise on the FT's European readership and to target the French business world. For information on rates and further details please telephone: Toby Finden-Crofts on +44 171 873 3456

MOTICE OF APPOINTMENT OF
ADMINISTRATITY INCOMPASS
LEATHLERMASTIER
(NORTHERN) LIMITED
MASTER SERVICES GROUP LIMITED
DEC (MSG) LIMITED
OTIC (MSG) LIMITED
REGISTRES FOR-018-1875, SC0000A, SC04456,
Cading namer Leathermaster, Faultemater, Williaght,
Lading namer Leathermaster, Faultemater, Williaght, Lucking sames
Regulation
Tradit chandration: 42
PARE (JOHN STOKES & MICHAEL JOSEPH MODRE
DAVID JOHN STOKES & MICHAEL JOSEPH MODRE
DAVID JOHN STOKES & MICHAEL JOSEPH MODRE
CONTRACT SE 100. 2017 and 55670 of
Compare for 100. 201

LEGAL

MOTICES

CONCEPT Concerts State of the state

BAS

ength

Viisun Nobel

TOR

LICES.

Committee

7940

7.30

.....

LEGAL

NOTICES

# Queasy tour of crimeland

have long approached Spike Lee's Work like sniffer dogs, suspecting that this black director's anti-racist movies are stuffed with bootleg

Why else, they huff, make a three-hour movie about the firebrand black militant Malcolm X? Why else consort with white-hating demagogue Louis Farrakhan? And in Lee's new film Clockers, why else switch the focus from the main character of Richard Price's original novel, a white homicide cop played in the film by Harvey Keitel, to the black teenage drug dealer (Mekhi Phifer) suspected of murder?

We are in a housing estate in New Jersey, but we could be in Purgatory seen through a handheld camera. This adventurously crafted movie is one to answer Lee's critics: not because he has given up railing against white "justice" but because he has become as impassioned with the medium as with the messages. Juggling different styles, tempi and even film stocks - from coloursaturated 16-millimetre to shostly black-and-white - the movie's expressionism pays homage to the plurality of human fears and passions.

Strike, the boy hero, is a "clocker", or low-level local drug dealer. He is first in line hen police cars prowl the park on search-and-deter missions; first in line for daily agonies from a stomach ulcer; first when his boss wants a fellow pusher murdered. We do not see who carries out the shooting - a messy blast outside a fast-food shop - and we are led to believe that Strike's older brother did it to help out.

But the detective (another brilliant, motormouthed turn by Keitel) spends the rest of ster anyway. So do most of the

hite liberals neighbourhood, black and have long white, seeing in the stammery, victimised Strike a perfect scapegoat for their ills and sins. As Lee's camera joins in the chase, it takes us on a marvellously queasy tour of crimeland, USA: a place where there is almost no solution to any problem and where life is a choice of alternative nightmares.

Clockers never sits still, never approves its black characters any more than its white,

> CLOCKERS Spike Lee

DESPERADO Robert Rodriguez

> JOHNNY MNEMONIC Robert Longo

RENDEZ-VOUS IN PARIS Eric Rohmer

LOCH NESS John Henderson

and uses digression and incongruity as style. There are verité scenes, trick photography scenes, Scorsese-like scenes of tumbling verbal passion. And the 50s-Hollywood music which washes over much of the film invoking the postwar American problem picture - when soaring string sections could solve social crises when nothing else would - is inappropriste only if we feel that other movie options would be more appropriate. But the drugs problem, in much of the west, has already gone beyond docudrama into melodrama.

Lee establishes his own free movement between East Coast realism and surreal Hollywood grandiloquence. Hallucination, which is the name of the drugs game, becomes also the language of the offenders and the state of the law. Clockers suggests that if we do not sort ourselves out it may become the state of the urban world: a place caught writhing and gibbering eternally between agony and Ecstasy.

Elsewhere, it is a great week for those who believe that Hollywood should be locked in a correctional institute to learn social and fiscal responsibility. The budget for Robert Rodri-

guez' Columbia-produced Desperado was 850 times that of his famous homemade El Mariachi (\$7000). So how come the \$6m movie is only half as good? Antonio Banderas plays the gunslinging guitarist, lost in a storyline that never engages us with either him or his sultry cafe-owning girlfriend (Salma Hayek). Meanwhile villain Joaquim de Almeida growls, scowls and fellates a series of large cigars, in between the sound-barrierbreaking showdowns between his henchmen and Banderas.

I enjoy gratuitous violence as much as the next filmgoer. Mayhem which pretends to moralise often depraves us more, with its catchpenny hypocrisies, than violence that exults in its own rollercoasting anarchism. Rodriguez certainly exults. The film is fast, furious, balletic, ballistic; and full of well-turned action gags like the eyeball-to-eyeball duel between two survivors of a saloon bar battle, who snatch guns one by one frantically from the floor only to find that

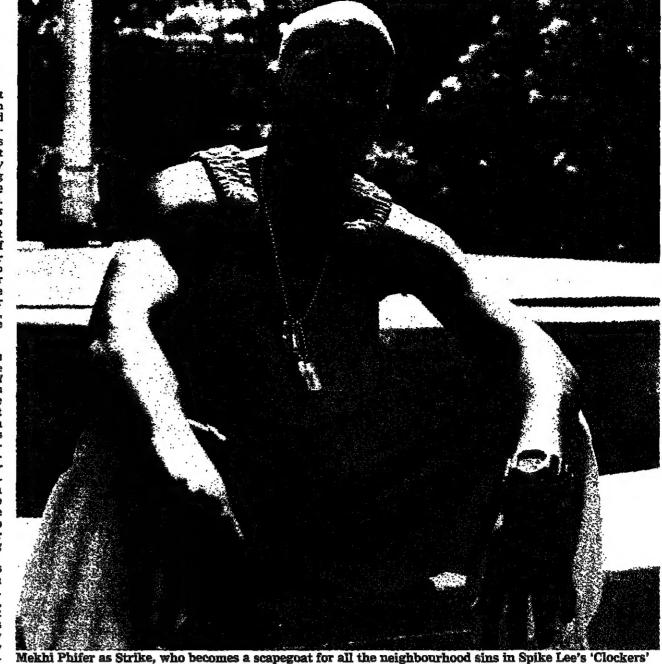
each clicks emptily in turn. But action needs plot and character to thrive for feature length. Forty minutes into Desperado we feel like starving people in a desert who have stumbled on a firework display. Very wonderful, very pretty; but could we please have some food and water in

Keanu Reeves has a great speech about room service in the William Gibson-sripted sci-fi fantasy Johnny Mnemonic. Since it is the film's only good moment, I suggest you discover it yourself by renting the video and scrolling forward. The rest of the movie does not justify a ticket price. The ex-star of Bill And Ted's Excellent Adventure, who hardly seems an advertisement for intelligent life at the best of times, plays a cyber-messenger with an overloaded brain who must shed megabytes or expire. Instead of taking the preferable course, he stays for two hours of inchoate plot, loud music and distinction-free

Eric Rohmer's Rendez-vous In Paris looks as if it was made with the small change from El Mariachi's budget, though with a script reinforced by the megabytes that could never fit into Keanu Reeves' brain, In three separate stories, a series of beautiful ill-focused youngsters float across a 16-millimetre Paris talking of l'amour et la vie. A boyfriend-suspecting girl finds betrayal at a Paris café. A couple on the brink of romance roam the Paris parks before agreeing to an ill-fated love nest. A painter juggles two girls before losing them both

digital images.

Meanwhile the characters talk as only the French talk, in rapt, convoluted abstractions. "I like the situation I'm in, even though in theory I detest it" says story number two's vacillating heroine. In theory we demur at all this blurry peripeteia and ambulant chatter. But Rohmer applies an uncanny stethoscope to the human heart, enabling him and us to hear its secret messages to the brain. The main rendezvous in this Paris, as in all Rohmer's better films, is between Beaumarchais and



The phrase "red herring" hovers borribly over the pen of the Loch Ness reviewer. For we are damned if old Nessie, in this whimsical Anglo-American comedy, is any more than

B-and-B owner) on Britain's most folkloric littoral.

He falls for her, she subsides more circumspectly towards him. And newcomer

the picture. As Joely's daugh-ter, a human water-kelpie with red hair and laughing eyes, she leads our hero to the climactic truth: or as close to the truth as Jim Henson's Creature Kirsty Graham takes advan- Workshop can diligently get. sters.

(Los Angeles bio-physicist) and tage of the delay to steal John Henderson directed. Joely Richardson (Scottish the picture. As Joely's daugh. John Young Guns Fusco John Young Guns Fusco screenwrote. And if few are the laughs, much is the charm decided that human beings are more interesting than mon



# Simon Rattle to change his tune

As the brilliant 41-year-old conductor relinquishes his post as music director of the Birmingham Symphony Orchestra, Andrew Clark looks at his options

he "occupied" sign no longer hangs outside Sir Simon Rattle's door. After 18 years of total loyalty to the City of Birmingham Symphony Orchestra, he will give up his post of music director in

months a year with the CBSO after 1998, and says he "will continue to work with [it] more than any other orchestra". Although this suggests he does not want to rush into another job, it is hard to imagine him devoting ten months of the year to what he has described as the "unsatisfactory occupation" of guest-conducting.

At 41, he already enjoys a level of global admiration gained by no other British conductor since Beecham and Barbirolli in old age. The clamour for his services will be deafening. But his resignation statement sums up his dilemma: what orchestra or opera company could ever offer him the working climate he has developed in Birming-

Both of London's opera companies would snap him up if they could. English National Opera already has a vacancy, and by 1998 the Royal Opera will be looking for Bernard Haltink's or. But whether Rattle could put up with the constant compromises of a big opera company is a moot point. He blind spots in core areas of the

repertoire, and has no time for singers know how to humour their guests who will not rehearse. Nor is he enamoured of the fly-by-night practices of the London orchestras.

The feeling is reciprocated. One leading orchestra manager says Rattle's career has been "media-cushioned", and that he has yet to be tested in the rough-and-tumble of the real world. "So many people say he's marvellous, but Gewandhaus Orchestra's long-serving there's a slightly hollow ring. He's had difficulties in London because he constantly feels the need to tell individual players what to do. He nags - that's why some orchestras think he's a bore."

There are no obvious vacancies among the leading US orchestras (unless Boston gets rid of Ozawa), and Rattle has a patchy record in Europe: on his first visit to Amsterdam he "hombed" with the Royal Concertgebouw, and his early visits to the Berlin Philbarmonic were far from harmoni-

"The trouble with Simon", says a member of the BPO, "is that he likes having it all his own way. He's not a tyrant by nature, but he enjoys phenomenal conditions in Birmingham. He's not used to orchestras which have a mind of their own. When he comes here, it's as if he wants to de-Germanise the Berlin Philharmonic. He's still not prepared to take the world as it is - he expects it to fit his image of it."

Unlike the Berliners, the Viennese

together, the Vienna Philharmonic and Rattle have been bound in mutual admiration. But the VPO spends most of its time in the opera house and does

not have a principal conductor. chief, is a great admirer of Rattle, and has already talked of leaving to focus on his work in New York. But is Rattle temperamentally suited to a German environment? Whatever path he chooses, he will doubtless surprise us as he has constantly done throughout

his astonishing career.
But "career" has never entered into Rattle's vocabulary. All he wants is "to conduct a bit better. You are in real trouble if you think you have arrived." His credo is that "you must force your-self to keep exploring, finding new paths. To keep on renewing is incredibly important".

Parting with Birmingham will be a massive wrench for both sides. Only 25 when he was appointed chief conductor, Rattle grew up with the CBSO. His transformation of it into an orchestra of international stature has been the high-light of British musical life for the past decade and a half. Thanks to him, Birmingham has the most exciting concert programming in the UK - and the best

new hall for many a mile beyond. Rattle which is why, in their few engagements has probably given Birmingham all he together, the Vienna Philharmonic and can, and the CBSO must now prove it can maintain its international profile with a different conductor.

The rise in Birmingham's status means it will be looking for someone of wide repertoire strengths and proven box-office appeal. Although little-known in Birmingham, conductors like Leonard Slatkin, Donald Runnicles and Esa-Pekka Salonen would doubtless make themselves available. But what established conductor would want to move to Birmingham with Rattle still breathing down his neck?

Rattle has proved in Birmingham that whenever talent and energy are aligned to a common will and good planning, audiences will follow. Next month sees another chapter of Towards the Millennium - his decade-long programme idea which he will continue supervising until the spring of 2000. His other long-term plans include tours with the Vienna Philharmonic and the Orchestra of the Age of Enlightenment, and a link with the Salzburg festival.

Rattle is entering a new phase of his life. Last month he re-married, and now he must push his musical horizons beyond Birmingbam. Rattle is not a pushy man - nor one to be pushed. He still has vast areas of the repertoire to explore. The musical world will watch his progress with interest.



### ■ AMSTERDAM

CONCERT Tel: 31-20-5730573 Koninklijk Concertgebouworkest: with conductor Riccardo Chailly perform works by Hindernith, Weill, Shostakovich and Mussorgsky; 2.15pm; Feb 11 EXHIBITION Stedelijk Museum Tel: 31-20-5732911

 Leon Korsoff, Paintings and Etchings: the exhibition presents paintings and etchings by the British artist Leon Korsoff. The selection made for the 48th Venice Biennale will be shown in its entirety. Korsoff's subjects include portraits, nudes, and views of London and its citizens; from Feb 10 to Mar 31

#### **BASEL** EXHIBITION Kunstmuseum Basel Tel: 41-61-2710228

 Mit Turban und Fahne: exhibition devoted to a so-called 'portrait historie by the Dutch painter Aelbert

Cuyp (1620-1691), in which a 17th-century family is portraited in historical costumes representing a biblical scene. Recently it turned out that part of the work had been painted out in the 18th century. The original painting has now been restored and is shown to the public amid related works; to Feb 11

### **BERLIN**

OPERA Deutsche Oper Berlin Tel: 49-30-3438401

 Die Zauberfiöte: by Mozart. Conducted by Stefan Soltesz and performed by the Deutsche Oper Berlin, Soloists include Reinhard Hagen, Peter Seiffert, Gerd Feldhoff and Amanda Halgrimson; 7pm; Feb

Komische Oper Tel: 49-30-202600 Glustino: by Handel, Conducted by Charles Farncombe and performed by the Komische Oper, 7pm; Feb 9

#### GENOA DANCE

Teatro Carlo Felice Tel: 39-10-589329 Baseball: a choreography by Moses Pendleton, performed by Momix. Soloists include Erin Elliott, Steve Gonzales, Renee Jaworski, Solveig Olsen, Terry Pexton and

CONCERT Musikhalle Hamburg Tel: 49-40-346920 Yvi Jänicke: accompanied by

Brian Simerson; 9pm; Feb 10, 11 (also 3.30pm) HAMBURG

planist Matthlas Kirschnereit. The mezzo-soprano performs songs based on poems by Eichendorff. The programme includes works by Amold Mendelssohn, Wolf, Brahms, Mendelssohn, Herzogenberg, Jensen, Pfitzner and R. Schumann;

#### ■ LONDON CONCERT

Wigmore Half Tel: 44-171-9352141
■ Catherine Wyn-Rogers:
accompanied by planist Malcolm Martineau. The contratto performs songs by Berlioz, Berg, Quilter, Dunhill, Finzi, Horder and Howells; 5pm; Feb 10

### ■ LUXEMBOURG

THEATRE Théâtre des Capucins Tel: 352-220645

 Die bösen Köche; by Günther Grass. Directed by Jean-Paul Maes and performed by the Théâtre des Capucins. The cast includes Marte Horstmann, Sökhan Bolcan, Patrick Hastert, Max Putz and Ingeborg Willrodt; 8pm; Feb 9, 13, 14

### ■ MEXICO CITY

EXHIBITION Museo del Palacio de Bellas Artes Tel: 52-5-5101388 ● Gauguin y la escuela de Pont-Aven: exhibition of some 80

paintings, watercolours, gouaches and drawings created by Paul Gauguin and his disciples at Pont-Aven, Brittany, at the end of the 19th century. The display includes works by Gauguin, Bernard. Denis, Lacombe, Moret, Seguin and

others. The exhibits come from French museums and private collections; to Feb 11

### NEW YORK

CONCERT Alica Tully Hall Tel: 1-212-875-5050
Camella Johnson and Simon Estes: the soprano and bass join the Burke Avenue Baptist Church Choir, conducted by Angelique Banks-Coleman, in an evening of

spirituals; 7.30pm; Feb 11 Carnegie Hall Tel: 1-212-247-7800 Benita Valente and William Stone: accompanied by pianist David Golub. The soprano and baritone perform Wolf's Italienisches Liederbuch; 8pm; Feb 9

EXHIBITION International Center of Photography Tel: 1-212-860-1777 Eve Arnold: In Retrospect: black-and-white photographs with themes from politics to entertainment and social movements around the world, in a retrospective of Arnold's career as a

OPERA Metropolitan Opera House Tel: 1-212-362-6000

photojournalist; to Feb 11

 Falstaff: by Verdi. Conducted by James Levine and performed by the Metropolitan Opera. Soloists include Barbara Bonney, Barbara Daniels, Marilyn Home and Paul Plishka; 8pm; Feb 10

### OSLO

DANCE Norske Opera Tel: 47-22-429475 Midsummer Night's Dream: a choreography by Robert Sund to music by Mendelssohn, performed by the Norwegian National Ballet. Soloists include Jan de Miranda, Lina Alsaker and Ulf Scheerbath; 7.30pm; Feb 9, 10 (6pm), 12, 13, 15, 16, 17 (6pm)

### OXFORD

EXHIBITION Ashmolean Museum of Art & Archeology Tel: 44-1865- 278000 Underwood's Children - The Wood Engravings of Gertrude Hermes and Blair Hughes-Stanton: exhibition of recently acquired works by Hughes-Stanton and Hermes, both pupils at the Green Brook School of Art. in Hammersmith, run for 10 years from 1921 by Leon Underwood; to Feb 11

### PARIS

CONCERT Théâtre des Champs-Elysées Tel: 33-1 49 52 50 50 Orchestre de Violoncelles: with conductor Frédéric Lodéon perform works by Villa-Lobos, Fauré and Casals; 11am; Feb 11

#### ■ ROTTERDAM EXHIBITION

Museum Boymans-van Beuningen Tel: 31-10-4419400 Schatten van de Tsaar. Hofcultuur van Peter de Grote uit het Kremlin: exhibition of treasures from the Kremlin. The display focuses on life at the Tsars' court in Moscow, to Feb 11

### **■ STOCKHOLM**

CONCERT Konserthuset Tel: 46-8-7860200  Members of the Filharmonikema: with conductor Ake Holmquist perform septets by Beethoven and Berwald; 11am; Feb 11 OPERA

#### Kungliga Teatern - Royal Swedish Opera House Tel: 46-8-7914300 Le Nozze di Figaro: by Mozart. performed by the Royal Opera

Conducted by Markus Lehtinen and Stockholm. Soloists include Peter Mattel, Britt Marie Aruhn and Brigitta Rydholm; 7pm; Feb 9

#### ■ VIENNA OPERA

Wiener Staatsooel Tel: 43-1-514442960 I Puritani: by Bellini. Conducted

#### by Antonello Allemandi and performed by the Wiener Staatsoper; 7pm; Feb 10

#### **■** WASHINGTON CONCERT Concert Hall Tel: 1-202-467 4600 St. Petersburg Philharmonic: with

conductor Mariss Jansons and pianist Emanuel Ax perform the overture to Weber's Euryanthe, Mozart's Plano Concerto No.17, and Dvorák's Symphony No.9; 3pm; Feb

#### EXHIBITION National Gallery of Art Tel: 1-202-7374215

 Dutch and Flemish Still-Life Paintings: this installation focuses on the Gallery's recently acquired still-life painting 'Banquet Piece with Oysters, Fruit and Wine' by the Flemish painter Osias Beert the Elder, to Feb 11

#### WORLD SERVICE BBC for Europe can be received in western Europe on Medium Wave 648 kHZ

**EUROPEAN CABLE** AND SATELLITE BUSINESS TV (Central European Time) MONDAY TO FRIDAY

NBC/Super Channel:

FT Business Moming

10.00 European Money Wheel Nonstop live coverage until 14.00 of European business and the financial

17.30 Financial Times Business Tonight

markets

Midnight Financial Times Business Tonight



**Peter Martin** 

# Why Apple is boxed in

The computer company's popular brand should give it a big advantage but it has been hampered by its failure to adapt to the industry standard

Q: What is more powerful than a brand? A: A standard. This is the principal lesson of Apple Computer's woes, culminating last week in the departure of its chief executive and the collapse of negotiations over a possible rescue purchase by Sun Microsys-

Apple has built one of the most impressive brands in the computer industry - indeed arguably the most important new global brand in any industry of the last 20 years. Despite its recurring problems, it retains the lovalty of its users and the admiration of a wider public. That ought to be an overwhelming advantage. Yet Apple is unable to turn what marketing experts call its "brand equity" into

real profits.

Bill Gates of Microsoft. Apple's old sparring partner, says there was nothing wrong with the company's strategy. which he summarises as "a unique hardware/software combination". The mistake, he believes, was in the way Apple went about putting its strategy into practice.

Certainly Apple has made mistakes: any company which has lost three bosses in a row has clearly had management problems. But the real lesson of the company's difficulties stems from the way in which certain sorts of market rapidly crystallise around de facto standards. If you are a supporter of the mainstream standard, you can do well even with an indifferent product. If you are a supporter of a losing or minority standard, the task is much harder, even with an

outstanding product. Bill Gates understands this process better than anyone else in the computer business. His company has consistently managed to win standards wars. On the rare occasion when Microsoft loses such a battle, it rapidly cuts its losses and joins the mainstream, a process seen most recently in its move away from a proprietary on-line network towards wholehearted embrace of the Internet. In his book The Road Ahead, Gates provides a lucid description of how the standards effect works. "A positive feedback cycle begins," he says, "when, in a growing market, one way of doing something gets a slight advantage over its competitors." The effect works best when the product has low marginal costs and gets some of its

"Compatibility is important because the more applications that are available, the more valuable the machine becomes to a consumer. At the same time, the more machines consumers buy, the more applications software developers create for it." Thus, says Gates, a positive feedback cycle sets in. Apple's Macintosh had a

value from compatibility.

chance of setting a new stan-dard to replace the first generation of IBM PCs. It failed to do so, and found itself confined to a minority market share. That was still large enough to provide the company with a living, but in time the mainstream products matured and gradually offset the Macintosh's advantages. Life became increasingly tough: software for Macintoshes became harder to find, market share shrank, and the company had to compete increasingly on price.

One analyst said last week that Apple was still viable as a producer of premium products: after all, luxury car-makers live healthily on a 10 per cent market share. This is the wrong analogy, however: even Mercedes might find life difficult if its cars ran on different fuel from the rest of the industry, and owners had to make a special trip across town each time they wanted to fill up.

It is still not too late for Gilbert Amelio, Apple's new chairman and chief executive. to pull off a last-minute rescue, but the odds are stacked

against him. So what are the lessons of competing in the new world of consumer-driven standards? There are three: price, open minds and continuous innova-

 Price. An innovative product can usually command a premium price. But a would-be standard-setter cannot afford to exploit that potential premium too ruthlessly. To ensure that the product becomes widely accepted - becomes the mainstream standard - it is essential to hold the price down. This is what Microsoft did with its MS-Dos operating system: in an extreme form it is what Netscape is doing by giv-ing away its "browser" soft-ware for the World Wide Web. Of course, this is easy if you are in the software business, where each individual copy costs little or nothing to produce. It is harder if you manufacture computer hardware. where your cost structure may make it hard to sell units cheaply. That is a powerful reason for learning the second

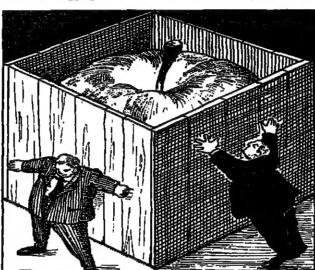
Open minds. By making it easy for other hardware producers to adopt your standard, you obtain the advantages of cheaper products from inherently lower-cost manufacturers. Apple refused to allow outsiders to make Apple clones until recently, and has still been dragging its feet on

the issue. Jean-Louis Gassée, mand in the late 1980s, used to boast to visitors about how clever Apple had been in keeping the cloners at bay. As a result, he pointed out, the margins on Apple hardware were much higher than in the much more open market for IBM PC clones. Yet in winning that battle. Apple was ensur-ing eventual defeat in the war. The open approach does not

iust mean sharing vital design information with rivals, it also means building standards that are inherently easy for outsiders to comply with. Apple urged outsiders to write software for the Macintosh; but the software interface was so complex that many found this Open-mindedness works both ways: successful stan-

dards-setters, like Sun, are also willing to adopt others' standards rapidly and enthusiastically, avoiding the "not-invented-here" syndrome. The same applies to industry standard components. By insisting on unique component designs, Apple has ensured higher manufacturing costs and an inventory cycle that is much harder to manage.

· Continuous innovation. A standard will only remain the



dominant one as long as the costs for users of switching away from it exceed the gain of doing so. To prevent such switching, successful competi tors continuously enhance their standard, moving swiftly to absorb or imitate rivals innovations. Sun and Micro soft have done this often They are now being imitated by Netscape, which is aggress sively introducing innovations

in its Web products and, at the same time, fighting the threat from rival technologies. One such threat is Sun's Java pro gramming language, which is being promoted as the next big standard for the network In a particularly neat move

Netscape has joined with Sur to develop a parallel product JavaScript, which will be easier to use If Java becomes the new standard, Netscap will be fully compliant. If Java proves too complicated, as some suspect, Netscape wil have partial control of its most likely replacement. In the 1960s and 1970s, IBM

established a proprietary stan dard, with the success of its big mainframes. Such domi nance - imitated by mini-com outer and workstation manu facturers - is unlikely to occur again, not least because human ingenuity has found ways round the protection offered by trade secrets and patents. The new standards era was initiated by Matsush ita and JVC of Japan, victors over Sony and Philips in the video-recorder wars of the 1970s and 1980s. But setting a standard is not a route to per manent profits: it offers a temporary advantage, on which a skilful company can build to stay ahead.

It will always be tempting to avoid the burdens of a bid for standards dominance - the sacrifice in margin, the pain of helping your competitors, the strain of continuous innova tion. But the Apple story shows that, in those markets to which the standards effect applies, there is no satisfactory alternative

**BOOK REVIEW** · Jurek Martin

PRIMARY COLORS - A NOVEL OF POLITICS: By Anonymous Random House, \$24, 366pp

# A moral message on electing presidents

on the mark when he called it "the biggest parlour game in town". But the search for the identity of the Anonymous who wrote Primary Colors, the novel rooted in the Clinton campaign of early 1992, cannot disguise something else. This may be one of the most provocative, best written and curiously most moral political books of fact or nominal fiction in many

Martians may need a brief precis. Jack Stanton is the governor of a small southern state running for the Democratic presidential nomination. He has a smart wife, a Yale gradu-ate, called Susan. The narrator is his deputy campaign manager, Henry Burton, whose grandfather was a legendary black preacher. He is a dead ringer for George Stephanopoulos, the presidential adviser who was Bill Clinton's communications chief in the 1992 election and whose father is a

Greek Orthodox priest. Other real-life characters are instantly recognisable. Richard Jemmons is James Carville, the foul-mouthed campaign genius, "Mr Former Senator Lawrence Harris", a dour sort, is Paul Tsongas, the ex-senator from Massachusetts who was Bill Clinton's principal rival for the Democratic nomination. Luther Charles is Jesse Jack-son, the black presidential candidate in the 1988 election, and Governor Orlando Ozio of New York is Mario Cuomo of New York whose decision not to seek the candidacy in 1992 left

the field clear for Mr Clinton. Former Governor Freddy Picker of Florida, who emerges as the biggest threat to Stanton, is harder to categorise but there are bits of Ross Perot. Jerry Brown and maybe Gary Hart in him. The heroine, if there is one, is his troubleshooter, Libby Holden, a volcanic recreation of Betsy Wright, Clinton's old chief of staff in Little Rock (Mammoth Falls) who put down "bimbo eruptions" in 1992.

The book sticks closely to the events of that year before branching off. Stanton is riding high going into New Hampshire when he is hit first with a sex scandal (for Gennifer Flowers read Cashmere McLeod) and then with a mili-tary draft problem. He recovers against the odds but the plot. a good one, should not be given away, other than to note that a real estate investment (Sunshine not Whitewater) becomes a factor, as do drugs (cocaine

not marijuana.) This literary approach is not original. Robert Penn Warren's great novel All The King's Men was a thinly-disguised account of the rise and fall of Huey Long, the Louisiana populist governor. It works just as well here because the portrayal of Stanton/Clinton is wholly persuasive. The man has a passion for and is a master of retail politics, able to suck the air out of a person or a room and give both his undivided attention. He has, as Burton puts it, "big ears" and his handshake is a work of art. He can discuss the price of rice in Asia and the qualities of southern barbecue with equal

Seasoned overseas politicians such as Lord Owen, the European Union's mediator in Bosnia, attest to the extraordinary magnetism Clinton can exert on anyone he meets. So, given his retreat on the budget after 50 hours in the White House, might Newt Gingrich, the Republican House speaker. That is why the Republican party so fear him this year unless, of course, the retail polities that served him so well in 1992 has gone out of style. replaced by the wholesale commercialised version now being peddied to some effect by Steve

He also has the buge character flaws which keep Republican hopes alive. Susan/Hillary.

·LETTERS TO THE EDITOR·

Number One Southwark Bridge, London SE1 9HL

We are keen to encourage letters from readers around the world. Letters may be faxed to +44 171-873 5938 (please set fax: to 'fine'), a mail: letters editor@ft.com Translation may be available for letters written in the main international languages.

Tough penalties way to | Nothing hysterical about

another good portrait and

that her husband could be a great man "if he weren't such a faithless, thoughtless, disorganised, undisciplined [expletive]". But she remains his closest adviser and seems to accept him, warts and all - if only, as the narrator observes, to draw vengeful attention to her own self-perceived perfec-

The detail is caught dead to rights, as is the nature of the ' campaign itself. a seat-of-thepants operation with daily highs and lows, rows and mindless grind. Much lies in handling the press, otherwise known as the "scorps", some of

whom get walk-on parts. But in their thoughtful moments the battered Stantons, even Jack with his inexhaustible physical and spiritual reserves, wonder if there is not a better way to elect presidents. That is the book's moral message, and it now seems to be on the public mind. Freddy Picker appeals because he has been out of politics for years, just as Perot, Colin Powell and, if temporarily, Forbes attract because they have never been in the game.

Another game, the search for the writer, must be played though. No journalist could keep silent about being the author of such a hot book nor. probably, have produced one so well-written. Its dialogue and dialects, from New York to the south, crackle throughout. worthy of modern masters of the conversational novel such as Elmore Leonard, Walter Mosley and Carl Hiaasen. Yet the feel for politics is surely beyond their ken.

It might, however, be within the eclectic capabilities of Garry Trudeau, author of the . often political Doonesbury cartoon and scriptwriter of Tanner 38, a sharp election soap opera aired on cable TV in 1988. Clinton, Stanton and Tanner are alike, but in Doonesbury, Clinton is a floating Belgian waffle. It is any-

Health Care Reform: The Challenge for Japan

Every developed country is struggling to control health care spending through a variety of regulatory approaches. The head of Pfizer's international businesses argues that, instead, fundamental changes in health care systems are needed to cope with medical advances and higher patient expectations; and that Japan may provide the new paradigm.

The end of the twentieth century coincides with the end of an era in health care. The day of the universal state-run health care systems which date back to Bismarck's establishment of the German social insurance system - is drawing to a close. These systems were great social experiments - but in the age of rapid advances in health care technology, high demand for the new technologies, and worldwide liscal constraints, they cannot be sustained without a level of rationing that is unacceptable to today's sophisticated, informed nationt. Germany's sickness funds, America's Medicare and Medicaid programs, Canada's Medicare program - all are buckling under the inevitable fiscal strain of offering a superior good-health care - free or almost free at point of service.

Japan, too, is experiencing problems of this nature. To Japan's credit, its leaders have concluded that the only way to proceed is to undertake thorough, fundamental reforms. I for one believe Japan can devise an appropriate health care system for the twenty-first century - one that will "break the mold" rather than emulate the outmoded practices and principles that predominate elsewhere. But whether japan will do so depends on which of two possible approaches Japan's policymakers choose.

Surveying the international scene, we see two potential directions for health care reform. One is a cost-driven model which seeks to impose decisions on the patients from above. Unfortunately, this has been a popular approach in the 1990s, as governments and private health care payors in the developed world focus on controlling spending.

A second direction, though, is toward a patient-driven model of health care, which gives patients both greater choices and greater responsibilities. In my view, this model should prevail - and probably will - because governments and private payors will find it difficult or impossible to deny patients access to first class medicine. A prime reason is the information technologies now available across the globe. which allow doctors and patients to learn of new treatments quickly, and to find out where they are available. And, through technologies such as telemedicine, world class medical therapy can now be delivered across borders.

When information, therapies and people can move freely, any attempt to ration health care is bound to fail. Unfortunately, such attempts continue, because governments fear higher health care spending, viewing it as a design on their economies. This view is flawed. A distinguished Canadian physician, Dr. Arnold Aberman, noted recently that spending on computer technology has soured over the past decade - yet no one speaks of a computer crisis. This is because individuals - not governments pay for their own computers. Spending on health care is regarded as a problem primarily because the spending comes out of the public purse or from third party payors, who regard innovation as a financial drain rather than a blessing.

Perhaps Japan can find a better way. A key may be to build on the distinctive strengths of the Japanese economy and the Japanese culture: long-term thinking, saving and investing, constant quality improvement. This brings us back to the analogy between the medical revolution and the computer revolution. In areas of technology other than health care, Japanese ingenuity and Japanese innovation have taken technologies once beyond the reach of ordinary people, and made them affordable and accessible to hundreds of millions around the globe. How many average persons do we see today with a mobile telephone, a laptop computer, or a home fax machine? Twenty years ago, it was inconceivable that these items would have been so widely available. A similar revolution can take place in health care. First, we must stop thinking of health care as simply a drain on the public purse and begin thinking of it as a productive area of the economy.

Second, we must use market forces to make the health care system better - not just cheaper. In a recent Pfizer Forum, Paul Belien of the Centre for the New Europe argued that greater market freedom in health care benefits patients most of all, because in free markets consumers have a real say. As they demand, hoose and pay for a service, the service better be good and reasonably priced." This is the kind of market in which many Japanese industries have succeeded brilliantly. Quality products, reasonably priced, are the very hallmark of lanan's successful competitive strategy in the global marketplace. Is it too much to suggest that Japan is ideally suited to devise a similar

approach to health care? We have seen the earliest reform proposals from the Japanese government. While some, like premium pricing for innovative drugs, are promising, others, like the "repricing" of innovative medicines which achieve higher sales than expected, the "flat sum fee" or capitated

approach to reimbursement, and proposals to mandate generic pricing, suggest that old thinking holds sway. However, the Japanese government has been open to discussion and it is hoped that more creative approaches may prevail as reform proceeds.

The essential point for Japan, and all systems, is that patients must take greater responsibility for their own care, through cost-sharing of some kind. There are intriguing models to study, such as the Medical Savings Account, an idea originating in Singapore and present in experimental form in the U.S. Policy experts like Dr. Wilfried Prewo in Germany and Dr. Earnonn Butler in the U.K. suggest similar experimentation in Europe - with government assistance for those who need it. This policy would lead to a patient-driven model of health care, which would reward citizens for saving and investing in their own health care, and give them greater choice and responsibility. It is an approach particularly well-suited to Japan where saving and investing for the future have been a long tradition.

The health care system of the next century should be one in which we see continual quality improvements coupled with lower total costs and more choices for consumers exactly what we expect, and get, in every area of technology except health care. We have to change that - and we can. There are certain givens: in every system, the goal must be a healthcare system that is market-driven, empowers patients, requires consumers to share the cost of care, values quality of care above all else, and fosters the appropriate use of medicine. Perhaps Japan can be first to reach this goal - if it is willing to try. The rest of the world will be watching.

pert Neimeth Is Executive Vice President of Pfizer Inc. responsible for Pfizer's International Pharmaceuticals and worldwide Hospital Products and Animal Health Groups.

PRIZER EUROPE FUHUM & M KOVERNAM SUNES SPOKSORD IN THE INTEREST OF ENCOURAGING PUMEU. DISCUSSION ON POLICY QUESTIONS AND FEATURING A WHILE TARRIETY OF WEIGH FROM LENDING POLICY EXPERTS.

PETER IN A RESERVOICH MASED, GLOBAL REALYS CARE COMPANY, ITS PRODUCTS ARE AVAILABLE WORLDWIDE. THE COMPANY HAS THREE SUSHESS SESMENTS: REALTH CASE, ANIMAL HEALTH AND DIRECTOR AND DEVICE OF BRACHSTREE, COST-EFFECTIVE CIS THAT CHPROPE THE GUALITY OF CIFE OF PEOPLE ARGUNG THE WORLD AND HELP THEM MEGRALD AND RELP THEM
PRIOR LUNGER, MEAUTIMER,
SIND MORE PRODUCTIVE LAYER.

cut late payments From Mr Jan Erik Paulden. Sir. The conclusions drawn by the Association of British Factors and Discounters from its European survey on late payment confirms the old

adage that a little knowledge can be a dangerous thing "Late payment penalties doubt".February 6). The ABFD claims there is "little correlation between tough penalty regimes and prompt payments". To back

this up, it points out that although Italy, Spain and Cyprus have a statutory right to interest they have poor payment records, while Sweden has the best. The ABFD is obviously unaware that Sweden has a much tougher penalty regime than any other country in Europe, especially compared to that of Italy and Spain. In

Sweden, statutory interest is set at base rate plus 8 per cent and is automatically applicable without having to go to court. In addition, late payers must pay compensation to creditors for any legal costs and also pre-legal administrative costs incurred in chasing an overdue debt. Finally, Sweden has developed a fast, cheap summary legal procedure for creditors to collect late payments without having to

From Mr Marco Landi.

paper on February 1

Sir, In general Apple does

not comment on articles about

Apple which appear in the press. The article by Louise Kehoe which appeared in your

(Technology: "Will Mac be orphaned?") does, however,

require correction. In the

article, she indicates that

Apple's corporate sales in

Europe are believed to have

She does not tell us where she

apparently not well informed

In fact, Apple's corporate

sales in Europe in the current

quarter and the last few days

have been very strong and are

slowed in the last few days.

obtained such erroneous

information, but she is

contributing to a strong

Apple strong in Europe

The net result is that late payers are heavily penalised in Sweden. A very similar system is also in place in Norway and Finland. Hardly surprising then that the ABFD found that northern countries generally have better payment records.

In Italy and Spain, on the other hand, the provision for statutory interest is virtually unenforceable due to the high cost and long delays in legal procedures, which means it can take several years to process a debt case.

As for the difference between north and south being entirely cultural, before Sweden introduced its strict late payment legislation, payment periods were typically 60 to 90 days, compared to 35-40 at

present. A deeper knowledge of European late payment systems must surely draw the opposite conclusion to the ABFD's, that there is a clear correlation between tough penalty regimes and prompt payments. Would the British government please take note.

Jan Erik Paulden. head of public affairs, Intrum Justitia, **World Trade Centre** Strawinskylaan 1013, NL-1077XX Amsterdam

performance in Europe, Many

corporate customers in Europe

recognise the advantages of

Macintosh computers. They

are easier to use, and require

support than competing

less maintenance and technical

products. This leads to higher

employee efficiency and lower

Apple Europe is greatly

such as Ms Keboe's can

reputation and corporate

Apple Computer Europe.

12 avenue d'Océanie,

91956 Les Ulis Cedex.

ZA de Courtaboeuf

husiness in Europe.

Marco Landi,

concerned that a press report

become self-fulfilling and thus

cause great damage to Apple's

#### British reaction to Kohl From Mr Nicholas Aylott. Sir, Ian Davidson rightly unacceptably inflationary consequences. For them.

identifies contradictory British reaction to Chancellor Kohl's speech in Louvain ("Beyond the catcalls", February 7). But it can scarcely be called hysterical, let alone a sign of some self-destructive

collective madness" The push for a single currency has in fact only a passing connection with completing the single market. It has much more to do with the pursuit of national interests, as perceived by political elites in the few countries with a serious chance of participating in Emu. Germany's motive is a legacy of the war: Its aim, as its leader states openly, is to reassure its neighbours by renouncing the power of its mighty currency. Governments in France and the Benelux countries, meanwhile, have for some years judged their national economies so intertwined with Germany's as to make impractical the pursuit of independent

monetary policies. Devaluation

against the D-Mark, it is believed, would have

Emu's attraction - in effect, seats on the Bundesbank's governing council - is obvious. This simply does not apply

to the UK. It has an economy big and different enough, both in terms of domestic characteristics and international trade profile, to make an autonomous monetary policy quite feasible as experienced since sterling's ejection from the exchange-rate mechanism in 1992 illustrates. Thus, without the same interests as some fellow Europeans, it is hardly surprising most Britons, who have grown up to see Germany as simply another European country, find baffling Kohl's implication that the choice for Europe is between Emu and war. Even less surprising is that to those with wartime memories - and this, considering the chancellor's motives, is supremely ironic it sounds like a threat.

Nicholas Aylott, department of politics. Keele University, Staffordshire ST5 5BG, UK

### Legal task faces Georgia

From Professor Michael Singer. Sir, John Lloyd's article "Symbol of Georgia tries to keep the faith" (February 3/4) well describes the present sad plight of the artistic and intellectual communities in Georgia.

Georgian artists and writers are not alone in struggling for cultural and national survival. as I discovered on a recent visit to Tbilisi at the invitation of the parliament of Georgia. in meetings with leading members of parliament, government ministers, judges of the supreme and constitutional courts, and other key figures. I felt from them all an indomitable will to co-operate in the development of Georgia into a democratic state in which human rights are fully respected.

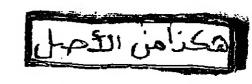
Georgia has recently enacted

a new constitution, which generally respects democratic institutions, rule of law, and

human rights. However, the legal system in force largely reflects and implements the constitutional structures of an earlier era. To achieve its aim. Georgia must create and implement an entire new legal system. Moreover, it must do so rapidly, since delay might encourage factions less well disposed to democracy.

This is an enormous task. and Georgia cannot easily muster the resources to undertake it alone. Consequently, parliament has invited the International Rule of Law Institute to set up a programme of continuing professional support. Michael Singer.

executive director. International Rule of Law Institute. The George Washington University Law School, 720 20th Street, N.W., Washington, DC 20052, US



Zeiffund

Number One Southwark Bridge, London SE1 9HL Tel: +44 171-873 3000 Telex: 922186 Fax: +44 171-407 5700 Thursday February 8 1996

# The terms of **UN** survival

Five years after the end of the cold war, and the ensuing wave of optimism over the UN as an instrument for tackling global problems, the organisation is fighting for its life. While previous reports of the UN's death have turned out to be exaggerated, the facts spelled out this week by Mr Bourros Boutros Ghali, the secretary general, are stark enough to concentrate the most sceptical of

With accumulated arrears, as of December, standing at \$2.3bu, the UN secretariat only managed to keep functioning last year by dint of financial subterfuge: dipping into the peacekeeping account to plug the holes in its general bud-get But that trick will not work this year. The peacekeeping fund is being cut back, and soon there will be nothing left to plunder. Unless extraordinary measures are taken to refinance the UN by the end of the year, it will not simply be trimming fat but shutting down altogether, as happened recordly to the federal government in washington.

Islon

in decree

Killing

December

- . . \*

The crisis has some peculiar features. First, the sums at stake are, by international standards, paltry. As the UN General Assembly's Portuguese president noted recently, the Secretariat's 1996 idget, at \$1.3bn, is barely onefifth of his small country's education budget. Its personnel policies are irrational. Some parts of the organisation are undoubtedly overmanned: others are absurdly understaffed. If the peacekeeping department has done an imperfect job, that is partly because its 300strong headquarters is simply too small to supervise up to 70,000 soldiers in 20 troublespots at once,

The way in which these employees are deployed, and the proce-

dures by which they are held to account, still leaves much to be desired. Moribund institutions like the committee on decolonisation have remained in existence, with little to do; and the traditional practice of sharing out jobs by nationality has militated against competence and accountability.

Still, there is no mystery about the proximate cause of the financial crisis: US reluctance to pay its contributions. American hostility towards the UN has intensified in recent years because of the per-ceived failure of its peacekeeping operations in Somalia and Bosnia and the widespread view that its bureaucracy is overstuffed and complacent. As part of its running war with the White House over the budget, Congress has repeatedly turned down even modest

requests for UN funding. The US government has presented the cash crisis as a lever which can be used to force the UN into badly needed reforms. Its campaign, both for better manage-ment and the abolition of unnecessary agencies, has deservedly won the sympathy of Washington's partners in the Group of Seven. The European Union, Japan and Canada are all willing, in princi-ple, to increase their share of UN contributions in order to ease the

But the cause of UN reform will not be advanced unless the US government can win a promise from Congress that dues will be paid on time, as long as the necessary changes have been made.

Instead of merely threatening to kill the UN, the US legislature should be spelling out the terms on which it will allow the UN to live; that is the least Washington's partners in the Group of Seven and elsewhere can expect.

# Reform in Japan

After years of ruling the Japanese roost, the country's finance minismy faces the humiliating prospect of being cut down to size. Yesterday's decision by Mr Ryutaro Hashimoto, the prime minister, to upport a study into the mini try's possible breakup, is only a small step on a long road. But it marks an irreversible break with the past because it ends the myth of the 'Ministry's invincibility.

Even though he is looking to his own political advantage. Mr Hashimoto's willingness to think the unthinkable is welcome. While the ministry played a vital role in Japan's early industrialisation, in its post-war recovery, and in expanding international ties in the 1980s, it is contributing little to encourage the economic deregulation which Japan now needs:

The ministry could have reformed itself on its own terms when its prestige was still high in the 1980s. It was already apparent that its responsibilities ranged too wide - everything from budgetmaking and tax collection to financial markets supervision. But the ministry was so powerful that few dared question its authority.

The financial scandals of the 1990s have undermined that authority, notably revelations of links between financial companies and the yakuza. Worse, officials failed to deter financial institutions over-extending themselves in

the boom and oust of the property market Angry taxpayers are now being asked to pay Y685bn towards rescuing housing loan companies. They could face more such bills.

Mr Has noto's rulir Democratic Party was also caught up in financial scandals and in the over-heating of the property mar-ket. It paid the price for its failures when it lost its unquestioned grip on power in the 1993 general election. Mr Hashimoto and others have had to fight for survival in the messy coalition politics which have followed. Attacking the finance ministry offers Mr Hashimoto a good way of deflecting pop-

The LDP's favoured option is to create a new agency for supervi-sing banking, securities and international finance. It should consider going further - for example setting up new agencies for tax, customs and excise, and the mint. Such decentralisation would save much bureaucratic time-wasting. It would also allow officials to focus on their outside work instead of on the ministry's internal affairs. Successful reforms might also encourage politicians to look at other overweight ministries, such as transport and agriculture. Deregulation might finally gather pace. Whatever his reasons, Mr Hashimoto is moving in the right direction.

# Blair's big ideas

Constitutional reform is the closest the New Labour party gets to spelling out a "big idea". Its promises in this area are specific. and, even more unusual, radically different from the government's. But, though voters have been told what constitutional changes a Labour administration would propose, there has been little effort to explain why they are needed.

Mr Tony Blair's job yesterday in giving his first speech on constitutional reform since becoming leader was to fill this gap. As he noted, major reforms such as the treation of a Scottish Assembly need to have the widest possible consent if they are to be legitimate. And to have that consent particularly among the English they must be argued for.

Unavoidably, perhaps, the vision that emerged out of Mr Blair's speech was a negative one. We know that the present relationship between ruler and ruled is unsatisfactory, he argued, because there is widespread popular disaffection with government And people feel disaffected because the UK's highly centralised system deprives them of a stake" in the political process. in essence, Mr Blair was telling voters that they should favour decentralising reforms such as Scottish devolution for the same reason that they would favour a

crack-down on government

"sleaze" and a written Bill of Rights. Namely, that each would, in various ways, reduce the centre's hold on power and make the system more responsive to citizens' demands.

For the moment, Mr Blair may think that criticising the status quo is sufficient. After all, each of the main reforms he proposes -Scottish and Welsh devolution, restoring an elected authority to London, reforming the House of Lords, and holding a referendum on electoral reform - would arguably be improvements to the current system. There is strong "bottom-up" support for the first two of these, and Mr Blair is right to

make them the top priority. But that a majority of Scots favour devolution will not be enough to ensure rapid passage through parliament. Nor should it be, if Mr Blair's comments about the "legitimacy" are to be taken seriously. He needs to state how he will address the question of the over-representation of Scotland in the House of Commons within a devolved system. And he still needs to explain why English people should consider Scottish devolution to be of a piece with Labour's other proposed changes. Saying that UK citizens lack a stake in their society is not the same as saying what, under Labour, their stake would eventu-

# A country losing competitiveness

Germany faces hard choices after today's jobless rise, says Wolfgang Münchau

learns later today unemployment rose to a post-war record of over 4m in January, it will fuel the raging debate over the country's

German business leaders will blame high taxes and social security payments as well as inflexible working practices for pricing its products out of world markets. This week Mr David Herman, chairman of Opel, the carmaker, called for more flexible working time arrangements, labour market deregulation. lower social security contributions and inflation-only wage rises.

But although almost 11 per cent of the workforce is now jobless, there is a reluctance in the country to consider the strong measures tial to restore the country's for-

Unemployment hits Germany's regions with different force. Western Germany had a rate of of 8.7 per cent in December against 14.9 per cent for east Germany. In the west, Bavaria has long had the lowest unemployment rate and Bremen the highest. The Ruhr, the Saarland and other pockets of heavy industry have above average rates.

The burden of unemployment

also falls more heavily on older workers, with more than 20 per cent of the unemployed being 55 or over. Most are on gradual early-retirement schemes, during which they receive unemployment pay until eligible for a pension.

Employment costs are certainly a factor. According to VDA, the German motor industry association, unit wage costs - which take into account costs and productivity are significantly lower in the UK, where they are 74.3 per cent of Ger-man levels. In the US, the figure is 55.9 per cent.

One solution to such differentials would be to allow the D-Mark to depreciate, but few Germans are willing to see this happen. Nor is there support for an increase in public spending to create jobs. Chancellor Helmut Kohl's policy of reducing the budget deficit to the target set at Maastricht for European monetary union leaves little

13.3% of workforce

10.4% of working

9.9% of workdorce

7.8% of workforce

10.8% of workforce

8% of worldon

6.8% of workforc

SEC. OF THE SECRETARIA

49,480

Germany scope for such an approach. A trade union leader recently admitted that his members would revolt if he were to support looser monetary or fiscal policy - even if that would keep them in their jobs. And there was also little support

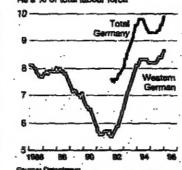
from Germany's economists when Mr Hainer Flassbeck, chief economist of DIW, a leading economic institute, suggested the German obsession with stability might be a factor in the rise in unemployment.

The only policy proposal currently under serious consideration is the "alliance for jobs" suggested by Mr Klaus Zwickel, president of IG Metall, the metalworkers' union. He proposed that the union would restrain its wage demands in return

for a binding commitment by

employers to hire more workers.

German unemployment As a % of total labour force



The proposal explicitly acknowledges the link between unemployment and wages - the first time this has been done by a union leader. But Mr Zwickel believed his proposal would "put employers on the spot". If high labour costs raised unemployment as the employers claimed, he reasoned, then lower real wages must reduce unemploy-

Leading economists called this line of argument pure sophistry. The economic ministry's advisory panel, a group of senior economists, said in a report this week that "a link between the promise of wage restraint and the demand for job guarantees has to be rejected. Such thinking misjudges the functioning of the labour market. In a market

The regional breakdown

economy [the social partners] are neither entitled nor in the position to decide on the number of people

It has also proved unpalatable to Gesamtmetall, the metal industry employers' federation. The stumbling block is Mr Zwickel's demand that the employers make a binding commitment to hire 330,000 new workers over three years, including 30,000 long-term unemployed.

Privately, many engineering employers say they are hard-pressed to keep their workforce at current levels, let alone hire new workers. Mr Herman of Opel believes unions will have to accept a series of cuts in their standard of living, including less sick-pay. "We have hit the limit of what business can sustain through legal conditions and wage agreements," he

But although Mr Zwickel's "alliance for jobs" has been derided by most experts, it has been well-re-ceived by the public and politicians. It appears to have captured the attention of a public still eager to find a consensus way out of the employment crisis.

Most Germans are opposed to any idea of US-style labour market deregulation to create low-paid jobs this is viewed merely as a form of hidden unemployment. The phe-nomenon of the working poor has received much publicity in Germany, where television programmes show shoe cleaners or bag-fillers at US supermarket check-outs working for low wages.

There is also a rejection of the idea that jobs lost in manufacturing can be made up in service industries. With a national belief that manufacturing industry will provide future employment growth, Germans devote much time to fretting over whether their industry can keep up with the US and Japan in developing new technologies and obtaining patents

Germans are therefore likely to retain their preference for the shop floor over a futures trading room. But it is unlikely that the country will be able to create the jobs in manufacturing to take up the growing numbers of unemployed without more painful adjustments than are now on the political agenda.

December 1995

109.548 8.7% of worldon

222,762 12.9% of worldon

222,281 18.7% of worldon

16.4% of workforce

14.2% of worldon

14.3% of workford

143,000

174,190

Battle for jobs: workers from Daimler-Benz Aerospace protest against The tide turns against Speyer Like many residents of Speyer, a industrial heating pipes to Poland small town on the Rhine in southw-

est Germany, Karl-Adolf Fischer is finding the rise in German unemployment a new experience. As an assistant at the local employment office, his main prob-

lem in the past has been to find skilled workers to fill the vacancies in Speyer's factories. The state in which the town lies, Rhineland-Palatinate, has been used to prosperity and is home to many of the country's successful Mittelstand companies, renowned in such industries as engineering.

But three of the town's biggest employers plan to lay off 1.000 workers this year, raising the number of people out of work in Speyer to more than 4,000 in a community of 50,000. "We thought we were an island of peace and quiet but all

ally," says Mr Fischer. Until now, life in Speyer has had a slower feel than in more industrialised regions such as the Ruhr. Home to Germany's second biggest cathedral, Speyer has a pretty baroque centre which Chancellor Helmut Kohl, who ran the state before moving downriver to Bonn, likes to show off to visiting statesmen. The most recent was Mr John Major, last summer.

Even with an unemployment rate now above 10 per cent, Speyer is still better off than the unemployment black spots elsewhere in the state. The number of people out of work in Pirmasens and Kaiserslautern, west of Speyer, has risen to 12.5 per cent. The economies of the two towns have been hit by the decline of the traditional shoemaking industry and the withdrawal of

But the impending lay-offs in Speyer highlight trends that are affecting many parts of German industry. One of the plants, for example, is moving production of

where employment costs are a frac-tion of those in Germany. Other companies are thinking of follow-

The biggest blow to the town is the proposed closure of a parts plant owned by Daimler-Benz Aerospace (Dasa) under the group's restructuring plan. Its 700 employees include some of the town's most skilled workers, who will have difficulty finding similar employment

locally. Where is there a future for any of us?" asks Mr Reinhold Weick, a 42-year-old technician who built loudspeakers at a local plant until it went out of business 18 months ago. He is now on an eight-week programme at the Siemens plant designed to improve his chances of finding another job by honing his

Mr Weick says too much money has been spent on reviving the economy of eastern Germany and on housing foreign asylum seekers and ethnic Germans from Russia of whom there are about 200 in Speyer. More should be done to keep jobs in Germany, he says, pointing to a recent effort by the government which set minimum wages to prevent cheap British, Irish and Portuguese labour undercutting German building workers.

Mr Karl-Heinz Schall, a turner who worked for 15 years at the BASF chemicals complex in nearby Ludwigshafen, is also attending a six-month course at the Siemens plant to keep him up to date with new lathe-operating techniques. He says he needs to earn about

DM17 (£7.50) an hour to make ends meet. Several jobs he has seen recently, offering bourly rates of about DM10, made little impression. "Those sort of jobs are not worth getting out of bed for."

Michael Lindemann

# OBSERVER

### B is for boring?

Poor little Boon, First Pauline Neville-Jones, the most senior woman in the UK Foreign Office, interprets the offer of the . adorship to this particular small town in Germany as her cue to leave the diplomatic service.' Now the US ambassador Charles Redman, who only arrived on the banks of the Rhine in October 1994. is leaving Germany – and indeed the Poreign Service, to seek his fortune in the private sector.

The US embassy in Bonn has seen more than its fair share of removal vans recently. Between 1989 and 1994, Vernon Walters, Robert Kimmitt, and Richard Holbrooke, all passed through. Kimmitt left in 1993, for Lehman Brothers, the investment bank which had housed Richard Holbrooke till the latter was plucked out to join the Clinton administration - and was sent to Bonn, Redman, who had beavered away for a year as special envoy to the former Yugoslavia without having much to show for it. was Holbrooke's replacement in Bonn That Holbrooke should then let off a year later and make his name . . brokering a peace deal in relatively short order, may have left Redman feeling a trifle hard done by.

Meanwhile, the speed of turnover

n menderakan di kalung berakan menderakan di kecamatan menderakan di berakan di berakan di berakan di berakan Menderakan di berakan di berakan

of American ambassadors seems to

have been positively beneficial to

the relationship between the two governments, with Bill Clinton and Helmut Kohl more than usually pally just at the moment. Makes one wonder how necessary ambassadors really are

these days.

Slippery slope ■ As the Spanish city of Granada gears up for the World Alpine Skiing Championships, due to begin in the nearby Sierra Nevada resort on Sunday, it seems that winter sports are not winning

friends among all the local

inhabitants. Last year, the championships were postponed for lack of snow. Now the city council is being sued before the event starts - by a

Following the example of another conservative led council in Alicanie which has banned begging, Granada has rounded up all its mendicants and put them in hostels until the skiing is over. But it did not reckon with

Mariano José Martinez Grimán, who says the measure violates his right "as a Spanish and European citizen" to ask for alms, not to mention other people's right and duty to give them. He has filed a suit to this effect in the local court against mayor Gabriel Diaz Berbel, and also cites the labour authorities for their failure to find him a decent job.

His written complaint relates

how, the weekend before last, he was begging "in a dignified fashion and without bothering anyone" individuals offering no identification and with mobile phones" took him away.

### Urban matters

■ Hazardous business, being a journalist in Poland. Jerzy Urban, the editor of Nie, a satirical weekly, was this week found guilty of breaking state secrecy laws. His punishment from a local Warsaw court? A complete ban on his editing or writing in newspapers for a year. He also picked up a 10,000 zloty (\$4,000) fine and a year's suspended prison sentence.

Urban, who is one of the country's best columnists, gained notoriety in the 1980s as the communist government's press spokesman, defending martial law with relish. Come the dawn of freedom in 1989, he founded Nie. The weekly's scurrilous attacks on successive Solidarity governments and the Catholic Church have found a wide audience – and made Urben a rich man

In 1992, Nie published extracts from still secret files dating back to the 1950s which showed that one of the closest advisers to the current prime minister had in the past agreed to co-operate with the security police: Hence the corrent

Yesterday, even Gazeta

Wyborcza, the daily newspaper whose roots are in Solidarity, was,

grungingly, on side. discusting", it wrote, "but we have no choice but to express our solidarity with a sentenced journalist and against a court in our independent country".

#### Makes no cents ■ Good to see that the Federal Reserve is going to such lengths to

protect the consumer. This being a leap year, the Fed has ruled that banks can calculate the interest on customers' accounts using either 365 or 366 days as a hasis - but only if the account is poened before 29 February. Otherwise, they have to use a 365-day year, which means banks

have to pay out more in interest. The banks complain - as is often the case when something doesn'tsuit them - that adjusting for this rule creates havoc in their computer systems. But what exactly is the impact of this pioneering piece of consumerprotection?

According to Observer's calculations, which assume an interest rate of 4 per cent, if you opened an interest-bearing account with \$1,000 on March 1 and left it + there, you would be around 9 cents richer by the end of the year. Which would really make a difference to one's personal nat

# Jinancial Jimes

#### 100 years ago Railways in China

Shanghai: The Cantonese Taotai Hsu yin-snag, a brother of the president and one of the great Boards at Peking and nominee of the Princes of Kung and Ching, has just signed a contract with Colonel Jeffries, representing an Anglo-American syndicate, for the construction of a broad guage railway between Hankow provides for many valuable sub-concessions, valid for the next fifty years, and must be regarded as marking the real beginning of railway construction in China

### 50 years ago

Mexican Ragle Oil pact An agreement between Britain and Mexico, signed at Mexico City yesterday, provides for the valuation of the properties rights and interests of British subjects in the expropriated Mexican Eagle oil company and its sphsidiaries.

The valuation is to be made by experts within a year and the amount of compensation they decide upon will be paid in US dollars. Payment will be completed within seven years.



# FINANCIAL TIMES

Thursday February 8 1996



Influential journal ranks most powerful tycoons

# Oil barons and bankers top Russian business list

Oil barons and an aggressive new breed of bankers dominate a league ladder of Russia's most powerful business leaders published this week by an influential financial journal.

The rankings were fixed by 50 Russian economists and business analysts using a scale of 1 to 10 on three criteria: influence on the development of a market economy in Russia; professional skills; and company assets.

Oil and gas company managers have been the big movers up the ladder over the past year, according to the magazine, Ekonomika i Zhizn. On the way down are the chairmen of some of Russia's weaker banks

Undisputed leader of the pack is Mr Rem Viakherev, the chairman of Gazprom, Russia's monopoly natural gas producer which controls 30 per cent of the world's known gas reserves. He and the third-ranking Mr

The most powerful 10

Rem Viakherev, Gazprom Mikhail Khodarkovsky, Menated Vagit Alekperov, Lirkoii Vladimir Potanin, Oneximbani Vladimir Gussinsky, Most Borls Berezovsky, Logovaz Alexander Smolensky, Stolichny

Vladimir Vinogradov, Inkombank Sergel Rodionov, Imperial Yakov Dubinetsky, Promstroibank

Russian ofl giant Lukoil, typify the members of the old Soviet industrial elite who have smoothly transformed their political power under communism into economic influence in an emerging capitalist system.

The red directors have been joined by a handful of brash bankers who were in their 20s when the Soviet Union collapsed, but have taken advantage of the economic chaos of the past five years to build financial and industrial empires.

Mr Mikhail Khodarkovsky, the

# **US-style** talks urged for N Ireland

By John Murray Brown in Dublin and John Kampfner and

The government of the Republic of Ireland yesterday proposed a Bosnia-style conference to persuade Northern Ireland's political parties to agree an agenda for all-party talks.

The surprise announcement by Mr Dick Spring, deputy prime minister and foreign minister, came after talks with Sir Patrick Mayhew, chief Northern Ireland minister in the British government, and received a cool response from British ministers.

Pro-British parties in Northern Ireland reacted furiously, describing the proposal as a ploy by the Irish Republic to wrest back the initiative as Britain presses ahead with its plan for direct elections to a constitutional con-

Mr Spring envisages two days of intensive discussions in the second half of February "designed to bring together on a voluntary basis all parties and both governments in a single venue" to pave the way for substantive negotiations.

The meeting, according to Dublin officials, would operate on a "proximity basis, broadly similar to that which pertained at the Dayton talks which achieved the breakthrough in the conflict in former Yugoslavia". The proposal made clear no party would be obliged to share a table with any other party or government.

Matters to be discussed would include the report by former US Senator George Mitchell, head of the international body on the decommissioning of paramilitary weapons. They would also include the "basis, participation, structure, format and agenda of all-party negotiations", and whether and how an elected body or an electoral process could play a part in such negotia-

Mr Michael Ancram, a junior Northern Ireland minister in the British government, described the idea as "at best, premature". One factor behind the British approach is thought to be the belief that there is no immediate danger of the IRA ceasefire ending because of internal splits.

# THE LEX COLUMN

# Ringing Packard's Bell

Yesterday's announcement from Packard Bell of its reincarnation as a "global computer powerhouse" is a study in obfuscation. The US personal computer maker, which is believed to have been suffering from liquidity problems, spoke grandly of \$650m in new investment - implying that it has tust received a massive cash injection. In fact, it has received only \$283m in cash from Japan's NEC; the new investment from France's Bull is in the form of its lossmaking PC business. Zenith, rather than hard cash.

Obfuscation also surrounds what NEC and Bull, which already each own 20 per cent of Packard, are getting in return. Packard says its partners will receive convertible stock but will not reveal the conversion terms. It appears, though, that the arrangement will eventually give NEC and Bull, in which the Japanese company holds a stake, joint control of Packard. That is probably just as well. The main value of the alliance would be if Packard and NEC developed a single product line, share factories and combine distribution channels. Cost reductions through economies of scale are the best way to make profits in the increasingly cut-throat PC market. At present, such fully-fledged integration is not envisaged. But with NEC/Bull apparently in position to take eventual control, the creation of Packard's global computer powerhouse may be only a matter of time.

#### Lloyds Chemists

Yesterday's counter-offer for Lloyds Chemists from Germany's Gehe leaves UniChem in a sticky situation. The prospect of competing in the pharmaceutical wholesale and retail markets against a Gehe enlarged by last year's acquisition of AAH and now by the purchase of Lloyds is daunting. There is no comparable domestic target for UniChem to chase, and tight regulatory control of UK pharmacy licences makes it difficult to acquire retailing outlets on an ad hoc basis.

But trumping Gehe's £584m (\$900m) cash bid may be dangerous. Gehe's ability to pay cash gives it a natural advantage. UniChem, on the other hand, is offering a mixture of cash and If it seems to be overstretching its

relatively small balance sheet, its own share price could suffer, impeding its ability to offer significantly more. There is an obvious way to leverage any offer for Lloyds: by finding buyers

for its non-core businesses. Holland

FT-SE Eurotrack 200: 1663.8 (+1.5) Share price relative to the Dax Index

and Barrett, its healthfood chain, looks attractive, but its struggling drugstore operation could prove diffi-

The danger for both Gehe and Unichem is that the heat of battle could tempt them into overpaying. The latest bid puts Lloyds roughly on a market rating. Given the limitations of some of its businesses, significantly raising that will soon make the price look expensive.

GPA Group, the Irish aircraft lessing company, is once again staring into the abyss. Its plan to refinance its heavy debt burden by securitising air-craft leases is being blocked by a single US institution, the Pennsylvania Public School Employees' Retirement System. Unless it can persuade the fund to jump on board promptly, the plan will have to be withdrawn, leav-ing the company with no prospect of repaying the bank debt which falls due next year.

In reality, the chances of GPA finally going to the wall as a result of this latest contretemps are small. The US fund, which holds several categories of debt, appears to be trying to use its leverage to get a better deal on its preference shares, not included in the refinancing. But neither party has much room for manoguvre: GPA is limited as much by the legal difficulties of favouring particular categories of creditors as by its own dire financial straits. And the pension fund has. no incentive to push GPA into liquidation - because it would then lose the whole of its \$100m preference share.

ing, GPA's wings will still have been drastically clipped. The securitisation would take 229 of its 359 aircraft offbalance sheet, leaving it with a much smaller asset base. Anyway, General Electric of the US may well decide to take up its option to buy GPA at \$65m, which runs until 2001. Since aircraft lease prices have at last started to recover, this could well prove an attractive deal.

#### UK pensions

What is striking about Mr Peter Lilley's attack on the Labour party's pensions policy is that the argument is taking place on common ground. Both parties want to encourage people to save more without - if possible - hav-ing to force them to do so. True, the parties' solutions are different. But by trying to encourage group personal pensions, for instance, Mr Lilley is tareting precisely the under-savers that Labour is worried about. Because per sonal pensions cost disproportionately more to the low-paid, pooling the costs is particularly attractive for them. As far as providers of savings products are concerned, both parties are likely to end up finding them new

#### BT/Viag/RWE

In pursuing its international strategy. BT is developing a fondness for "cascade" shareholdings. The latest deal with Germany's Viag and RWE. which involves setting up three separate companies, is a case in point. One, supplying business customers, will be owned by BT and Viag. another, supplying residential customers, will be owned by BT and RWE. Each will have cross-shareholdings in the other and, in turn, own the third company - a telecoms infrastructure

Why this elaborate structure? For a start, including RWE eliminates a potential competitor; the cascade also means BT will not have to spend the full DM3bn-DM4bn needed for the venture to rival Deutsche Telekom. That said, BT could still end up paying nearly half the total investment, while having to share control with its German allies. Unlike Mr Rupert Murdoch, one of its other allies. BT is not yet a master in the art of investing little while controlling much.

> Additional Lex comment on Videotron, Page 18

Frenci

he .

UK BUSAF

٠٠٠

# Gramm's US presidential bid hit by Buchanan poll victory

By Jurek Martin in Washington

Senator Phil Gramm's campaign for the Republican party's presidential nomination appeared on the rocks vesterday following a severe defeat at the hands of Mr Patrick Buchanan in Tuesday night's Louisiana party caucuses.

Mr Buchanan, the rightwing polemicist popular among Christian anti-abortion activists, beat Mr Gramm from neighbouring Texas by 62 per cent to 38 per cent in the vote of about 30,000 party members. He therefore won 13 delegates to the party's August convention against Mr Gramm's

eight.
Mr Gramm tried yesterday to put the best face on it, saying at least he had eight more delegates than Senator Bob Dole and Mr Steve Forbes, leaders in the field of nine. But he admitted that failure to finish in the top three in the lowa caucuses next Monday would mean "a long hard look at

Even worse for Mr Gramm as he heads for lowa was the fact that he was in Louisiana on Tuesday and not in the Senate as it debated the farm bill. The Iowa media yesterday made much of the fact that his vote would have broken a Democratic fillbuster against the legislation, which enjoys wide support in the

The damage to the senator, who professes a similar conservatism to Mr Buchanan but with greater emphasis on economics. was deepened by the fact he was caught in a trap of his own mak-

He had encouraged Republicans in Louisiana to hold a vote. apparently tailored to his candidacy, which pre-empted both lowa and the first primary in New Hampshire on February 20. He made similar, but unsuccessful, attempts in Arizona and

offend voters in Iowa and New Hampshire. So did most of the state's 485,000 registered Repub-licans, many of whom said they were unaware the caucuses were even being held.

is ranked second, Mr Vladimir

Potanin, the 34-year-old president

of Oneximbank, is fourth and Mr

Vladimir Gussinsky, the flamboy-

ant former theatre director who

runs Most bank and owns much of Russia's liberal media, is fifth.

control over oil and gas reserves

is still the most important eco-

nomic issue, both Mr Khodarkov-

sky and Mr Potanin have

acquired significant oil compa-

But the ranking, revised each

quarter, also exposes the fragility

of Russia's nouveoux riches finan-

ciers, whose fortunes have been

built on a cosy foundation of

political connections. For exam-

nle Mr Oleg Boyko, a banker.

was 22nd in the overall ratings

for 1995 - but finished 42nd in

the last three months of the year.

in at least one respect, capitalist

Russia resembles the communist

Soviet Union - only one woman

The ranking also reveals how,

nies in recent months.

In a sign that competition for

The contest therefore became a race billed by both men as a battle for the leadership of the party's right wing against Mr Dole and Mr Forbes. Mr Gramm organised long and hard in Louisiana but to no avail against Mr Buchanan's Christian grassroots troops.

Mr Dole will probably profit most from Louisiana. His campaign has always feared the wellfinanced Mr Gramm more than Mr Buchanan, whose extreme nationalist and protectionist views make him no more likely a nominee than they did in 1992 when he ran against President George Bush.

All the other leading candi- Drop in US trade deficit, Page 5

#### Tokyo study Brussels shelves pensions portability plan

Continued from Page 1

assume that the immediate aim of the finance ministry review is more crude: to deflect public attention from politicians' own role in the jusen mess.

Both the LDP and the opposition New Frontier party have former finance ministers including Mr Hashimoto - who were in office when the jusen were pouring money into what turned out to be questionable property schemes.

Continued from Page 1

legislation that would make private pensions portable. However, Mr Flynn was told to

refer the matter to a newly-established working party examning difficulties encountered by individuals transferred across borders. The group has six months to study the problem and to decide whether EU legislation

is necessary. The German commissioners were not alone in arguing

against new legislation. Mr Jacques Santer, the Commission president, was concerned that the proposals would interfere with domestic pension legisla-

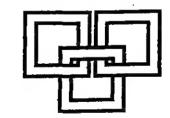
Germany does not want to change its law," said a German official in Brussels. "We have a system that rewards employees who stay a long time with the same company. What the Commission wants is not compatible with the German system."

Of the 20 commissioners, those

who supported the drawing up of proposals were the two French commissioners, plus the Dutch,

Greek and Danish. Mr Flynn had argued that roughly half of all EU workers bave private or company pensions to supplement their state pensions. Co-ordination among nember states already exists for state pension schemes, but the growth in supplementary pensions has meant that many workers would lose out in a cross-border transfer

# This announcement appears as a matter of record only.



# Trinity International Holdings plc

Acquisition of certain UK regional newspaper interests of

### The Thomson Corporation

for a total consideration of £327.5 million

and

underwritten 1 for 1 Rights Issue of 68,777,402 Stock Units at 280p per unit to raise £193 million

### **Baring Brothers**

acted as financial adviser to Trinity International Holdings plc in this transaction and underwrote the Rights Issue



lember of ING Mail GROUP

JANUARY 1996

### **Europe today**

A weak frontal zone over the eastern UK will move east, giving way to brighter or clearer skies. A new frontal zone will move in from the south-west, producing cloud, rain and wind in Ireland. The previous frontal zone will bring cloud and occasional light rain to France and snow to the Alps. Spain, Portugal and northern Italy will be rather sunny. Southern Italy, Greece and Turkey will have numerous heavy showers. The Balkans will be cloudy with snow and there will be a strong gale along the Black Sea coast. Storm force winds are expected south of Sicily. Poland and parts of Russia will be mostly sunny but cold. Southern Scandinavia will be sunny but there will be snow further north.

### **Five-day forecast**

A high pressure system will remain over north-eastern Europe bringing little change to this region. An active low pressure s will reach the British Isles by Friday. producing snow followed by shower the Benelux and Germany. Spain and Portugal will be dry although showers are expected on the northern coast. The central and eastern Mediterranean will rema

Lufthansa

More and more experienced travellers make us their first choice.

